CITY OF ALLEN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2020

CITY OF ALLEN, TEXAS

CITY OF ALLEN

CITY OF ALLEN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ALLEN

FISCAL YEAR ENDED
SEPTEMBER 30, 2020

AS PREPARED BY THE
FINANCE DEPARTMENT

CITY OF ALLEN

City of Allen, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020
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CITY OF ALLEN

Introductory Section

CITY OF ALLEN

CITY OF ALLEN

March 22, 2021

Honorable Mayor and City Council, City Manager,
Citizens of Allen:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (Annual Report) of the City of Allen, Texas (the City), for the fiscal year ended September 30, 2020.

This report is published to provide the City Council, our citizens, City staff, and other readers with detailed information concerning the financial position and activities of the City. Management has prepared the report and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Also included in this report is an unmodified ("clean") opinion on the City of Allen's financial statements for the year ended September 30, 2020, issued by Weaver and Tidwell, L.L.P. The independent auditors' report is located at the beginning of the financial section of the Annual Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

REPORTING ENTITY

This report includes all funds of the City including its component units. Component units are legally separate entities for which the City is financially accountable but are not part of the City's operations. The Allen Economic Development Corporation (AEDC) and Allen Community Development Corporation (ACDC) are included in the financial statements as discretely presented component units.

CITY PROFILE

The City of Allen is located in Collin County, which is the 21st fastest-growing county in the nation. Collin County's population reached 1,092,478 in 2020. It is expected to reach 1,255,347 in 2025. Located 25 miles north of downtown Dallas on US 75, Allen encompasses approximately 27 square miles. The George Bush Tollway and Sam Rayburn Tollway (Hwy 121) provide direct access into the Metroplex and access to Love Field (27 miles) and Dallas Ft Worth International Airport (31 miles). The City of Allen sits in a prime location for restaurants, shopping centers and other retail venues. The quality of the City's community attracts well-educated residents with a high level of spending power and disposable income. Allen's population reached 109,591 residents in 2020, more than doubling from just over 45,000 in the year 2000 and is projected to reach 123,018 by 2025.

Incorporated in 1953, Allen is a home rule charter city. The Charter can be amended only by a vote of the people and provides for seven non-partisan Council members, including the Mayor, to be elected at-large to staggered terms of three years. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as adopting the annual budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The Council also appoints the Municipal Judge and various advisory boards.

City service departments provide a full range of services including police and fire protection, emergency ambulance service, municipal courts, building code enforcement, library, parks and recreation, tourism, water and sewer services, sanitation/solid waste services, traffic engineering, and construction and maintenance of streets and infrastructure. The City currently supports a staff of 845.94 full time equivalent employees.

ECONOMIC CONDITIONS AND OUTLOOK

Regional Economy

The Dallas-Fort Worth area has an incredibly diversified economy, an extremely low unemployment rate, a growing labor force, low cost of living, affordable real estate, and a superior business climate. The City of Allen's unemployment rate as of September 2020 was 6.2%, and the Collin County unemployment rate was 6.4% -- both of which were below the national rate of 7.9%. Allen has increasingly become a home for highly educated, high-income professionals, yet maintains a welcoming spirit for people and families from all stations of life. The median household income in Allen was $115,349 in 2020, which is 63% greater than the median income in Dallas/Fort Worth. Over 57% of the City's residents have earned a bachelor's degree or higher, twice the US average. The City has seen the job market increase by 3.3% over the last year. Future job growth over the next ten years is predicted to be 45.0%, which is higher than the US average of 33.5%.

Allen's Position in the Region

Along with being situated in an ideal location just 12 miles north of Dallas on US 75, Allen's appealing demographics have spurred along record-breaking growth. The population of 109,591 is expanding with an estimated 2.36% annual growth rate. Allen is a community that offers exceptional housing, award-winning schools, steady job growth, and dynamic business climate all of which are strong factors in the success of the City's economy.

Allen is also a vibrant city with amenities. The pro-business environment and superior quality of life come together to empower Allen's residents and businesses to achieve higher levels of success. This unique combination has received national recognition, including MONEY Magazine's #2 Best Place to Launch a Career (2018) and CNBC's Best Suburb for Millennials in Texas (2018).

Long Range Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. The City has a five-year financial plan and a seven-year capital improvement plan where departments reevaluate project priorities, review funding sources, and identify new projects as needed. Using this plan allows the City to plan the timing of projects associated with debt issuance and the effects on the tax rate. Standard and Poor's most recent credit rating report dated June 23rd, 2020 stated, "very strong management, with strong financial policies and practices under our Financial Management Assessment methodology."

The City continues to maintain the highest 'AAA' rating from Standard and Poor's and Aaa from Moody's on its general obligation and certificate of obligation bonds. The City of Allen is one of seven Cities in the State of Texas to have both a AAA rating with both S&P and Moody's. The Water and Sewer Revenue Bonds are rated 'AAA' from Standard and Poor's and Aa2 from Moody's. The S&P's June 2020 rating report supporting the 'AAA' rating stated the following credit factors:

- Very strong economy
- Very strong management with strong financial policies and practices
- Very strong budgetary flexibility and strong budgetary performance
- Very strong liquidity
- Adequate debt and contingent liability position
- Strong institutional framework score.

During fiscal year 2016, the City began a CIP Bond Program that totaled $93 million and estimated to be completed over seven years. During fiscal years 2017, 2018 and 2019, respectively, the City issued $8,355,000, $11,845,000, and $8,630,000 related to the Bond Program. In fiscal year 2020, the City issued $23,385,000 of General Obligation Improvement and Refunding Bonds to make improvements to existing City facilities, streets, drainage, park and recreational facilities, public art projects, and public safety facilities; and to refund certain outstanding obligations of the City.

Additionally, during fiscal year 2020, the City issued $3,175,000 Tax Notes for purchase of equipment. The City also issued $4,880,000 in Water and Sewer System Revenue Bonds. The purpose of the bonds is to fund water and sewer line replacements in older neighborhoods within the City. This is a change in philosophy as the City had been funding all Water and Sewer Fund capital improvements with operating funds and has now adopted a hybrid approach that will slow customer rate increases as wholesale rates from NTMWD increase.

Fiscal Year 2020 Highlights

During fiscal year 2020, the City accomplished many initiatives to enhance livability, improve personal experience, invest in the future, and celebrate the successes. From quality neighborhoods to park development, community safety, and environmental initiatives, it is no surprise that people move here to experience the quality of life the citizens of Allen enjoy.

As the City's population continued to grow, the need for new housing continued as well. The Community Development Department issued over four-hundred and forty building permits for the past year. The City welcomed a variety of new businesses, including Texas Health Allen expansion, One Bethany West, and Collin College Technical Campus. Finally, the City facilitated several new residential developments including Stacy Green Townhomes, Legends at Twin Creeks Senior Independent Living, and Magnolia on the Green at Stacy Green. The City also administered Community Development Block Grant funds which went toward the rehabilitation of twenty-one homes within Allen's older neighborhoods.

Allen is a safe community. In 2020, 10.39 per 1,000 residents were a victim of a Uniform Crime Report Part I offense. Part I offenses include crimes such as homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson. This is a decrease of 11.57% over 2019 when population growth is factored in. According to SafeWise's list of Texas's 50 Safest Cities of 2021, Allen ranks 40th safest cities in Texas and was the first city listed with a population exceeding 100,000 residents. According to NeighborhoodScout's analysis of crime data, a person in Allen is nearly five times less likely to be a victim of a violent crime than compared to the statewide average. Allen is a safe community in which to live, work, and play.

The Fire Department has largely been focused on managing the COVID-19 Pandemic during the past few months. Along with being responsible for overall emergency management, the fire department implemented infection prevention public education, distributed personnel protective equipment, developed testing programs, among many other efforts. The Fire Department also continues to improve their service to the community through the design of Fire Station 6. The design will expand response capacity and allow for needed capabilities in the northwest part of town. The Fire Department, re-wrote medical treatment protocols to include the latest in-patient care, updated fire apparatus to meet the demands of a growing community, expanded professional development programs for staff. Lastly, the department increased inter-operability with neighboring fire departments through joint training and resource sharing.

Environmentally focused public activities were substantially impacted due to COVID. However, the important spring sustainable landscape educational series by the water conservation manager was completed just before group meeting restrictions were put in place. The City received three water conservation awards in FY20: Texas Section AWWA Water Conservation and Reuse award for the Block Leader Program; Texas Section AWWA Watermark Award for the Sustainable Landscape Series videos; and EPA WaterSense Excellence award for education and outreach for the Sustainable Landscape Series, the library garden, and water conservation displays. School-from-home activities turned the community services educational staff from in-person activities to providing Microsoft Teams and Zoom educational

opportunities to home schoolers and then later in the year to active school classrooms. Various Keep Allen Beautiful (KAB) youth contests were conducted on-line as were recognition ceremonies. Texas Recycles Day activities operated normal pre-pandemic in November 2019. In the spring of 2020, COVID concerns forced the cancellation of both Earth Fest and Great American Cleanup activities that are typically conducted in April. Our waste services activities by CWD were stressed with record-breaking calls for bulk collections from home-bound residents. CWD also continued to support all residential and commercial waste and recycling activities despite pandemic impacts on their operations. KAB and the City continue to be recognized by Keep Texas Beautiful as a Gold Star Affiliate and Governor's Community Achievement Award - Sustained Excellence Award Winner. Despite having to cancel its in-person 2020 edition, the City celebrated its 20th annual Arbor Day with the Mayor planting a tree and delivering the Arbor Day proclamation virtually. Fiscal Year 2020 marks the City's 19th year as a Tree City USA, and its 18th National Arbor Day Foundation Growth Award.

The Allen Public Library (the "Library") continues to provide a vibrant, welcoming environment for Allen citizens with an emphasis on exemplary customer service and support for lifelong learning, literacy, access to information, and bringing the community closer together. To encourage literacy and lifelong learning, the Library offers programs for children and teens on art, science (including robotics and coding), animals, and reading. Adults find opportunities to feed their literary, cultural, historical, musical, and travel interests augmented by hands-on activities for crafts and food. During the hot Texas summers, visitors of all ages participate in the cool Summer Reading Clubs (virtual in 2020), while reading, learning, and earning prizes. The Library's digital collection, both e-books and e-audiobooks, continued to grow with the cloud Library service, notably through a consortium with other Texas libraries, to offer more than 200,000 items. Physical books and DVD's remained more popular than ever, especially among children and families. During fiscal year 2020, the Library was recognized by the Texas Municipal Library Directors Association for the sixth consecutive year for Achievement of Library Excellence. The Library also provided citizens with access to information outside the Library through databases, Interlibrary Loans, and expanded options for digital books and audiobooks from *cloudLibrary*, with shared resources from twenty-four other Texas public libraries and digital magazines preparing to transition from RB Digital to cloudLibrary. Beginning in March 2020, the Library began to offer curbside pickups in response to the COVID-19 pandemic.

During fiscal 2020, the Allen Community Development Corporation (ACDC) oversaw the expenditure of Type B half-cent sales tax revenue on projects that include: rail development and repair; Allen USA Celebration; Demand Response – paratransit transportation − Trail Marker Program; Special Services equipment; third party consultant for technical review process; planning and design services for the future dog park; irrigation central control replacements; Heritage Park renovation, playground shade structures, lightning detection systems (fixed and portable); recreation facility security cameras and fitness equipment; Rolling Hills Park - planning and design; synthetic turf, tee boxes and erosion control at the Courses at Watters Creek.

The Allen Economic Development Corporation (AEDC) worked to bring companies and related commercial developments to Allen with a good deal of success despite the pandemic environment. The AEDC facilitated the completion of One Bethany West at Watters Creek, the 200,000 SF Class A office building that opened in July of 2020 with nearly 50% of the building leased to office tenants. Anchor tenant Highlands Residential Mortgage moved into the building in December with 100 employees, as did Newline Interactive, a provider of large monitors with 50 employees. Micron Technologies, an industry leader in innovative memory and storage solutions is expanding their design engineering operations and will move into the building in 2021 with 200 employees. The AEDC was instrumental in recruiting Crawford & Co., an insurance provider who leased 70,000 SF and brought 600 new jobs to Allen. AEDC supported expanding businesses, such as oil and gas operator Perdure Petroleum, who relocated their headquarters from Houston and occupied 17,000 SF in Central Expressway South with 30 employees. Billings Productions Inc., North America's leading provider of life-size animatronic dinosaurs, also expanded and opened their new 50,000 SF headquarters and manufacturing center with 50 employees after outgrowing their previous facility in Allen.

Two new developments were announced in 2020 thanks to the efforts of the AEDC: the Allen Tech Hub and The Farm at Allen. Allen Tech Hub is a four-story, 105,000 SF Class A office project by Heady Investments that will be integrated into the Watters Creek District. The building was designed to appeal to

technology-oriented companies and is expected to break ground in 2021. Allen-based developer JaRyCo announced a partnership with a local family to develop prior farmland into a 135-acre mixed-use property called The Farm in Allen. The project includes approximately 2 million square feet of office, retail, hotel, dining and residential space. Receiving zoning approval in 2020, The Farm in Allen is anticipated to generate office employment of over 7,000 when fully developed.

To support the economic recovery of Allen's businesses impacted by the COVID-19 pandemic, AEDC assisted in overseeing the Allen Small Business Grant Program that distributed over $3 million in Federal CARES Act funding to 141 Allen businesses. Other projects that were supported by AEDC include: the Collin College Technical Campus, which opened its 340,000 SF state-of-the-art facility in August and will serve over 7,000 students, and the groundbreaking for Brass Roots Technologies, a technology company who will occupy one of two buildings at a new site at Prestige Circle in 2021.

All the projects and developments from 2020 not only increased the City's property tax base but also positively affected the City's economy by recruiting or retaining over 1,000 jobs to Allen**.**

One of the City's major draws, Allen Event Center, consists of the main arena and support facilities, the Allen Community Ice Rink, the south parking structure, and shared ownership of the north parking structure with The Village at Allen. The Center hosts a wide variety of activities including shows, concerts, exhibitions, contests, athletic competitions, cultural events, trade shows, as well as civic ceremonies and activities. While the facility typically has an estimated annual economic impact of over $12,000,000, the COVID-19 pandemic forced the temporary closure of the facility and mandated the cancelation or postponement of numerous events. Allen Event Center is also the home to professional sports; the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL). The Center celebrated its 10th anniversary in November 2019.

With all this happening within Allen's borders, it's clear that the city is working hard to provide every resident and visitor with great experiences, services and safety.

Relevant Financial Policies

The City's financial policies and practices set forth the basic framework for the fiscal management of the City. The policies and procedures were developed within the parameters established by applicable provisions of the Texas Local Government Code, the City of Allen charter, and internal management laws, and are reviewed on a periodic basis. The Investment Policy is also approved annually by the Council. All other policies (accounting, budgeting, procurement, capital improvements, asset management, and risk management) are internal policies approved by the Finance Department and City Manager. Recently, the Training/Travel Policy was updated to reflect changes in city processes and provide added flexibility for travelers, as well as provide greater ease for Finance staff during the reconciliation process. On a quarterly basis, the Finance Department prepares financial and investment reports that are presented to the City Council.

Budgetary control is maintained at the fund level. All annual appropriations lapse at fiscal year end. Under the City's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be re-appropriated and honored the subsequent fiscal year.

The annual budget serves as the foundation for the City's financial planning and control. All requests for appropriation by the departments, divisions, and component units of the City shall be furnished to the City Manager on or before August 1st each year. A proposed budget is presented to the City Council for review on or before August 10th. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Transfer of appropriations within a department and within funds may be made with approval from the City Manager or his designee. Transfers between funds or additional appropriation require the approval of the City Council.

Internal Control

Management of the City, through its Finance Department, is responsible for the implementation, maintenance, and monitoring of a set of comprehensive internal controls. The goal of the City's system of internal control is to limit opportunity for theft, fraud, or abuse by ensuring adequate separation of duties and systematic monitoring with a positive control environment set at the top of the organization. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

AWARDS AND ACKNOWLEDGEMENTS

Awards -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its Annual Report for the fiscal year ended September 30, 2019. Fiscal year 2019 was the twenty-first consecutive year for which the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual program of services dated October 1, 2019. This is the twenty-first consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy document, financial plan, operations guide, and communications device.

Acknowledgements – We would like to express our sincere gratitude to City's personnel who contributed to the production of this report, especially the accounting division. Appreciation is expressed to representatives of Weaver and Tidwell, L.L.P., for their invaluable assistance in producing the final document, and to the City Manager's office and the members of the City Council, whose leadership and commitment are vital to the health and vitality of the City of Allen.

Respectfully submitted,

Jennifer Fung, CPA
Interim Chief Financial Officer

Chris Landrum
Assistant Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Allen
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

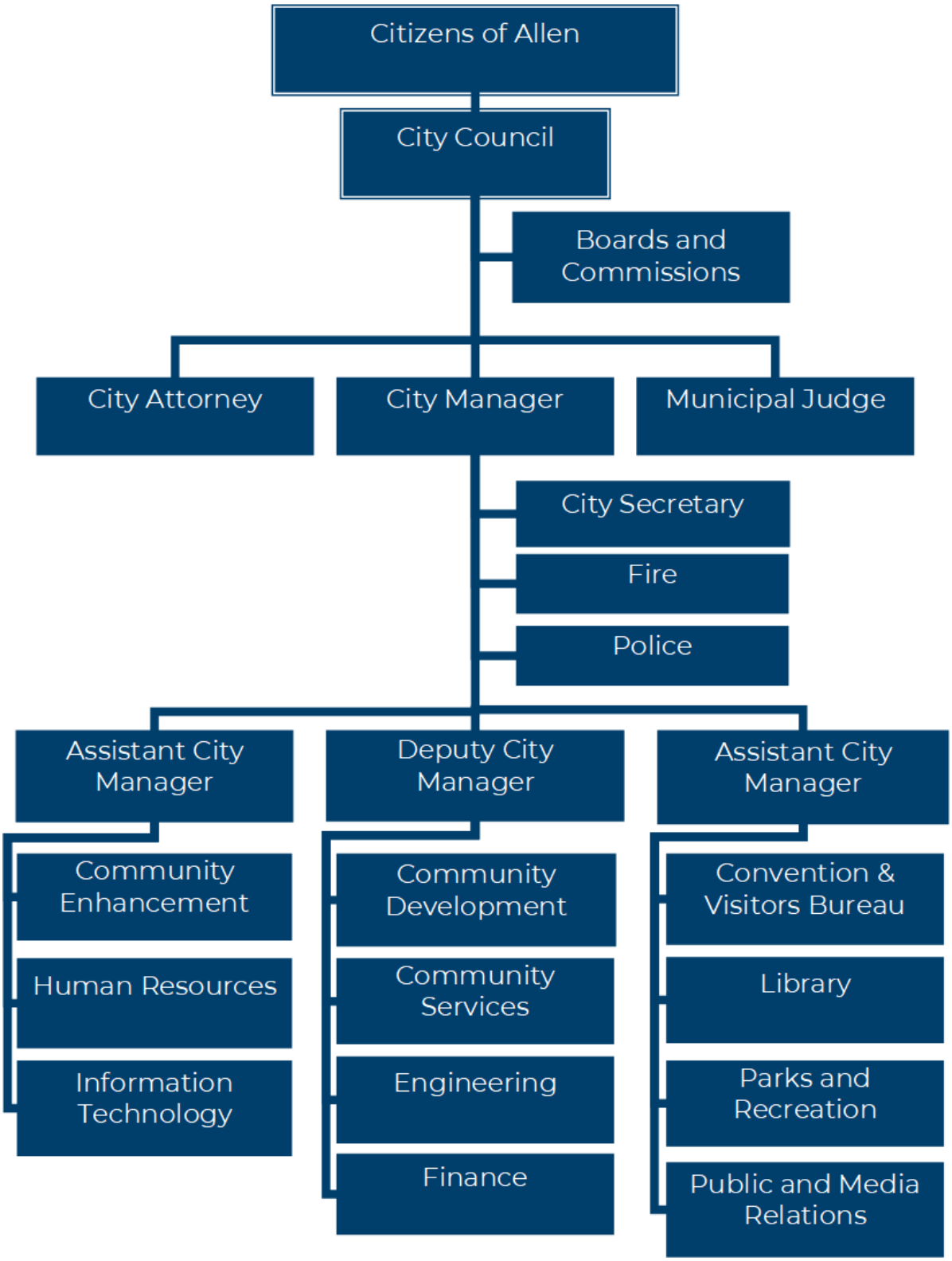
September 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF ALLEN

ORGANIZATIONAL CHART



CITY OF ALLEN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

CITY OF ALLEN

Councilmembers

Mayor	Kenneth M. Fulk
Mayor Pro Tem, Place No. 6	Baine Brooks
Councilmember, Place No. 1	Kurt Kizer
Councilmember, Place No. 2	Carl Clemencich
Councilmember, Place No. 3	Lauren Doherty
Councilmember, Place No. 4	Chris Schulmeister
Councilmember, Place No. 5	Vacant

Management Staff

City Manager	Eric Ellwanger
Interim Chief Financial Officer	Jennifer Fung
Assistant Chief Financial Officer	Chris Landrum
Interim Controller	Dana Thornhill
Chief Accountant	Tru Nguyen

CITY OF ALLEN

Financial Section

CITY OF ALLEN

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Allen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Allen, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 22, 2021

Management's Discussion and Analysis

As management of the City of Allen, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2020, by $628,754,097. Of this amount, $108,625,348 (17%) represented the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $18,110,556. Out of this, $7,709,243 is from governmental activities and $10,401,313 is from business activities.
- On a government-wide basis, the City's total assets increased by $35,663,765 or 5% and total liabilities increased by $3,221,907 or 2%.
- As of September 30, 2020, the City's governmental funds reported combined ending fund balances of $108,013,555 an increase of $18,529,258 or 21% in comparison to the previous year. Approximately, $26,826,184 or 25% of the fund balance, is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like that of a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information that shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

In the government-wide financial statements, on pages 19 through 21, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, library, community development, parks and recreation, municipal court, and general administration. Property and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities.

- **Business-type activities** - The City's water, sewer, solid waste, drainage, and golf course operations are reported here. These are functions intended to recover all or a significant portion of their costs through user fees and charges.

- **Component units** - The City includes two separate legal entities in this report: the Allen Economic Development Corporation (AEDC) and the Allen Community Development Corporation (ACDC). Although legally separate, these component units are important because the City is financially accountable for them.

Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds - These funds are used to account for most of the City's activities, which are essentially the same functions as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as resources available for future spending at fiscal year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided, which details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Debt Service Fund, General Capital Projects Fund Grants Fund and General Obligation Bond Fund, all of which are major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 22 through 28 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection, disposal services, drainage operations, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for vehicle, machinery, and equipment replacements and costs associated with workers compensation, liability and property insurance, and employee medical and dental insurance programs. These services have been included within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, solid waste collection, and disposal services since they are major funds of the City. The Drainage Fund and the Golf Course Fund are the only remaining enterprise funds, and they are being presented as major funds even though they do not meet the criteria of a major fund. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements are located on pages 29 through 33 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are located on pages 34 and 35 of this report.

Notes to the Financial Statements - Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements is provided in the notes to the financial statements located on pages 39 through 77 of this report.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the general fund to demonstrate compliance with the budget. Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions to the City's pension and other postemployment benefits (OPEB). The City participates in Texas Municipal Retirement System (TMRS) for its pension plan and provides its employees with post-retirement healthcare benefits (OPEB). The required supplementary information is found on pages 80 through 87 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, internal service funds, and the discretely presented component units, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the financial position of a government. The assets and deferred outflows of the City of Allen exceed the liabilities and deferred inflows by $628,754,097 at September 30, 2020.

By far the largest portion of the City's net position, $505,723,816 or 81%, reflects its net investment in capital assets (i.e. land, buildings, infrastructure, vehicles, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position, $14,404,933 (2%) represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of $108,625,348 (17%) is available to be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net position for governmental activities and business-type activities are summarized as follows:

Table 1
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 148,922,914	$ 124,295,338	$ 68,394,367	$ 55,828,488	$ 217,317,281	$ 180,123,826
Capital assets	463,536,156	465,940,896	124,504,453	123,629,403	588,040,609	589,570,299
Total assets	612,459,070	590,236,234	192,898,820	179,457,891	805,357,890	769,694,125
Deferred outflows of resources	8,349,361	15,643,851	990,388	1,859,065	9,339,749	17,502,916
Long-term liabilities	135,752,316	136,522,362	25,683,913	22,302,972	161,436,229	158,825,334
Other liabilities	14,972,875	12,492,392	2,812,372	4,681,843	17,785,247	17,174,235
Total liabilities	150,725,191	149,014,754	28,496,285	26,984,815	179,221,476	175,999,569
Deferred inflows of resources	6,001,753	493,087	720,313	60,844	6,722,066	553,931
Net position:						
Net investment in capital assets	392,368,425	391,261,029	113,355,391	113,459,625	505,723,816	504,720,654
Restricted	13,891,413	12,848,863	513,520	571,053	14,404,933	13,419,916
Unrestricted	57,821,649	52,262,352	50,803,699	40,240,619	108,625,348	92,502,971
Total net position	$ 464,081,487	$ 456,372,244	$ 164,672,610	$ 154,271,297	$ 628,754,097	$ 610,643,541

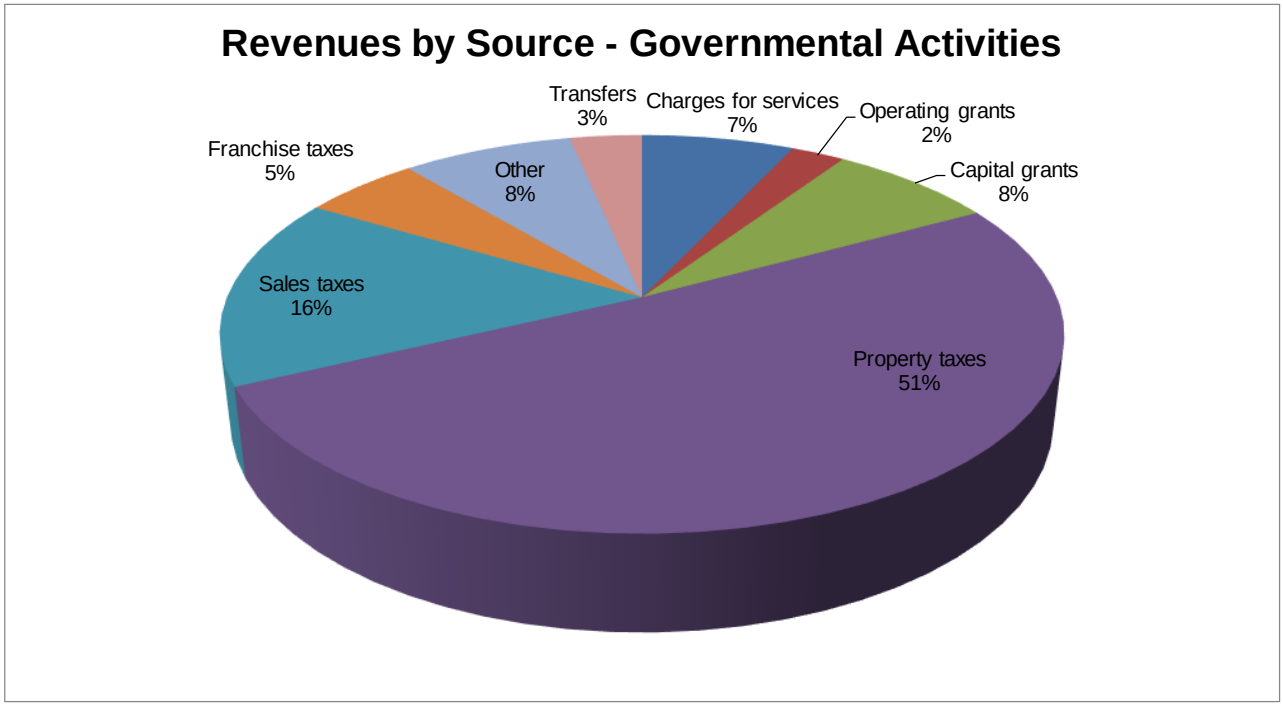
As of September 30, 2020, the City had an overall increase in net position of $18,110,556 for the primary government, which represents an increase of $7,709,243 for governmental activities and an increase of $10,401,313 for business-type activities. Details are in Table 2 as listed below.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 9,748,420	$ 18,483,674	$ 61,940,373	$ 55,012,181	$ 71,688,793	$ 73,495,855
Operating grants and contributions	3,427,631	2,056,001	-	-	3,427,631	2,056,001
Capital grants and contributions	10,639,664	19,888,044	8,332,962	10,175,397	18,972,626	30,063,441
General revenues:						
Property taxes	70,917,335	68,865,078	-	-	70,917,335	68,865,078
Sales tax	21,686,335	21,648,401	-	-	21,686,335	21,648,401
Franchise taxes	7,454,713	7,810,093	-	-	7,454,713	7,810,093
Hotel motel taxes	1,156,398	1,759,159	-	-	1,156,398	1,759,159
Other taxes	1,195,296	2,204,220	-	-	1,195,296	2,204,220
Interest earnings	4,246,550	4,048,112	1,140,957	1,284,728	5,387,507	5,332,840
Gain on sale of capital assets	144,347	-	9,713	-	154,060	-
Miscellaneous	4,188,530	3,460,124	353,278	396,719	4,541,808	3,856,843
Total revenues	134,805,219	150,222,906	71,777,283	66,869,025	206,582,502	217,091,931
Expenses:						
General government	24,937,087	21,238,061	-	-	24,937,087	21,238,061
Public safety	47,369,212	44,993,635	-	-	47,369,212	44,993,635
Public works	22,393,268	27,039,953	-	-	22,393,268	27,039,953
Culture and recreation	29,015,632	33,287,645	-	-	29,015,632	33,287,645
Community development	5,238,233	3,160,050	-	-	5,238,233	3,160,050
Interest on long-term debt	2,745,698	2,888,831	-	-	2,745,698	2,980,513
Water and sewer	-	-	45,524,999	44,511,123	45,524,999	44,511,123
Solid waste services	-	-	6,525,391	6,248,035	6,525,391	6,248,035
Drainage	-	-	1,555,570	1,396,935	1,555,570	1,396,935
Golf course	-	-	3,166,856	3,332,927	3,166,856	3,332,927
Total expenses	131,699,130	132,608,175	56,772,816	55,489,020	188,471,946	188,097,195
Change in net position before	3,106,089	17,614,731	15,004,467	11,380,005	18,110,556	28,994,736
Transfers	4,603,154	4,702,914	(4,603,154)	(4,702,914)	-	-
Change in net position	7,709,243	22,317,645	10,401,313	6,677,091	18,110,556	28,994,736
Net position, beginning of year	456,372,244	434,054,599	154,271,297	147,594,206	610,643,541	581,648,805
Net position, end of year	$ 464,081,487	$ 456,372,244	$ 164,672,610	$ 154,271,297	$ 628,754,097	$ 610,643,541

Governmental activities

Revenues – The following chart visually illustrates the City's revenue by sources for governmental activities:



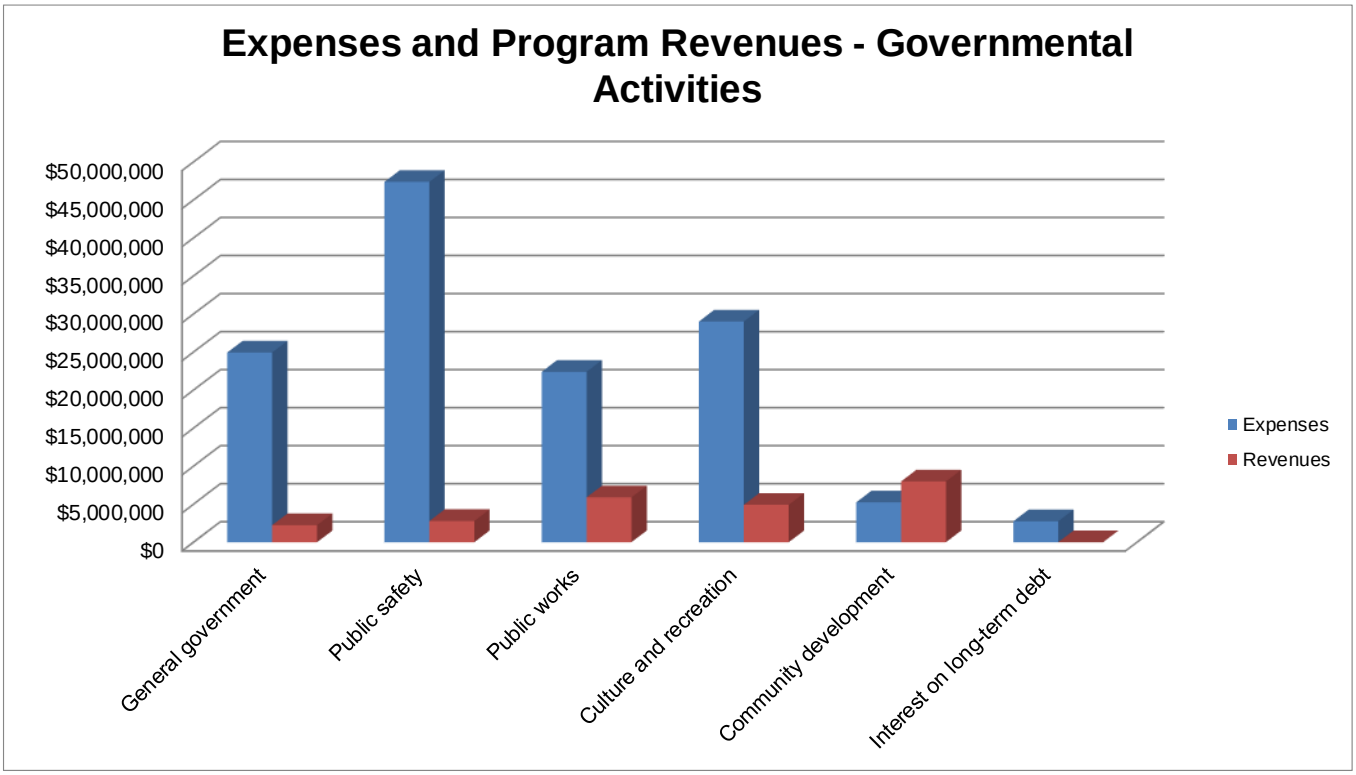
Revenues for the City's governmental activities totaled $134,805,219, a decrease of $15,417,687 (10%). Major components of revenue increase and decreases are explained as follows:

- Property taxes increased by $2,052,257 or 3%, due to increase in assessed value and new property additions.
- Sales taxes increased by $37,934, or less than 1%, as a result of growth and negative effect of COVID pandemic.
- Hotel motel taxes decreased by $602,761 (34%) due to lower activities because of coronavirus.
- Other tax revenues decreased by $1,008,924 (46%) due to lower fines and activities.
- Charges for services decreased by $8,735,254 or 47% primarily due to the closing down of city facilities due to the global pandemic
- Capital grants and contributions decreased by $9,248,380 (47%) with lower construction activities.
- Interest earnings increased by $198,438 (5%) over prior year, as a result of increase in fair market values of investments during fiscal 2020.

Expenses for governmental activities totaled $131,699,130, a decrease of $909,045 or (1%) from fiscal year 2019. Components of increases and decreases are explained as follows:

- Expenses for General Government increased by $3,699,026 (17%), due primarily to economic incentives and grants.
- Expenses for Public Safety increased by $2,375,577 (5%), due primarily to the scheduled salaries market adjustment for both Fire and Police departments.
- Expenses for Public Works decreased by $4,646,685 (17%), due to lower activities in street maintenance.
- Expenses for Culture and Recreation decreased by $4,272,013 (13%), due to lower activities and the closing down of city facilities due to coronavirus.
- Expenses for Community Development increased by $2,078,183 (66%) due to creation of Community Enhancement Department with 12 full time employees in FY2020.

The following chart illustrates the relationship between expenses and program revenues for governmental type activities:



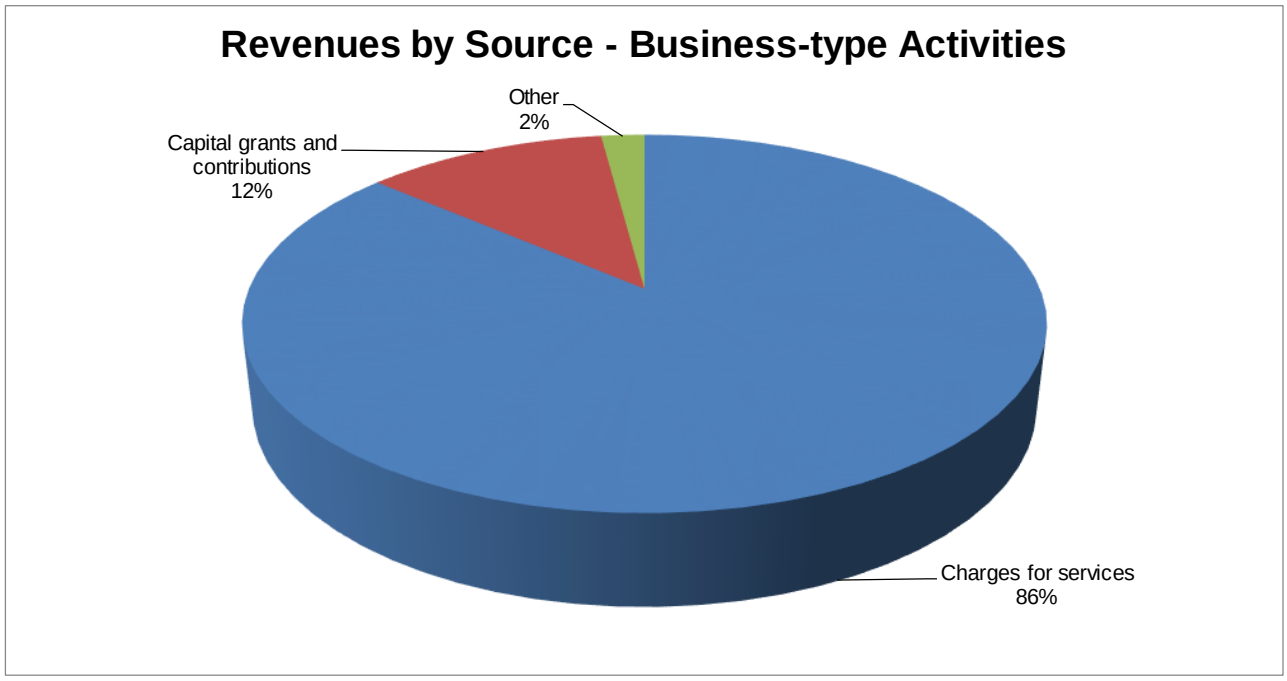
Business-type activities –

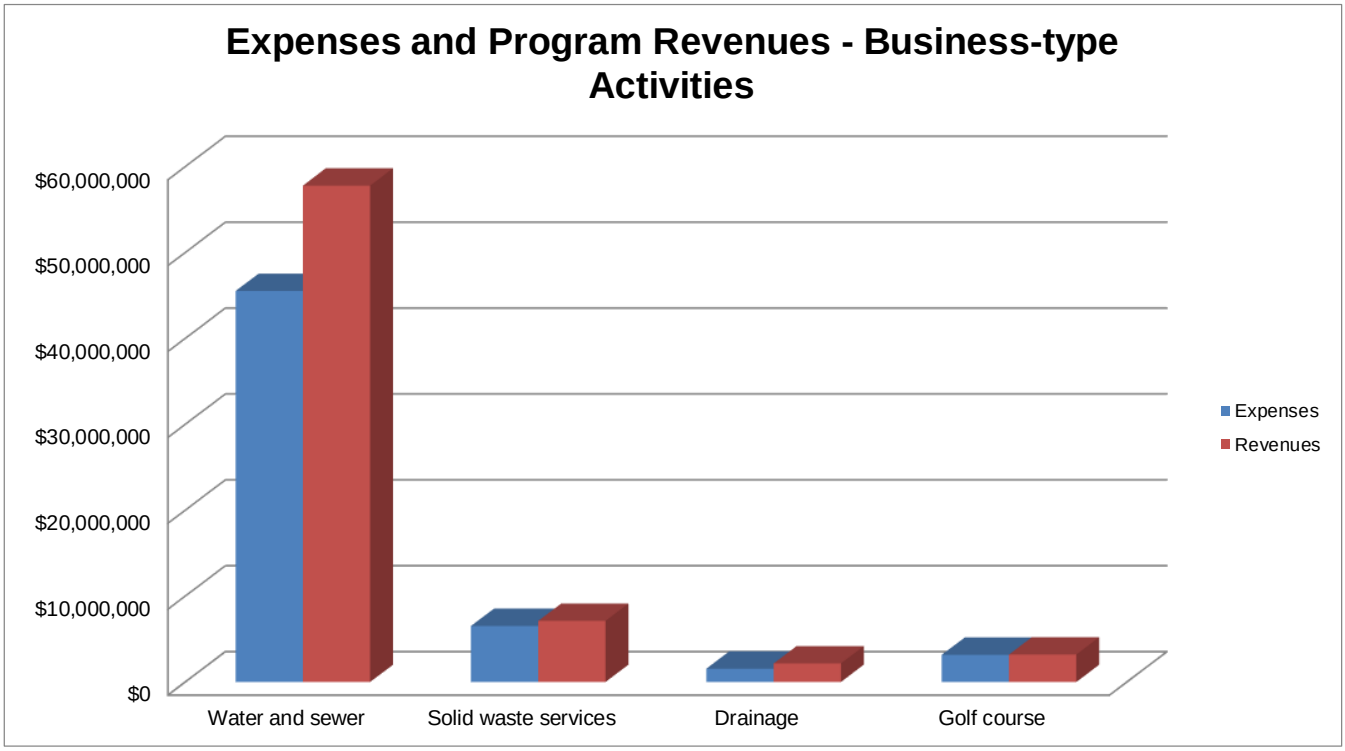
Revenues from business-type activities totaled $71,777,283, an increase of $4,908,258, or 7%. Major components of the net increase are as follows:

- Charges for services for business-type activities increased by $6,928,192, or 13% mainly due to increase in Water and Sewer revenues with increased water and sewer rates.
- Capital grants and contributions decreased by $1,842,435 over the prior year to due to lower activity.
- Investment earnings decreased by $143,771 or 11% over fiscal 2019 due to lower interest rates.

Expenses for business-type activities increased by $1,283,796, or 2%. The increase was due to increase in cost of services and supplies. The following chart illustrates the relationship between expenses and program revenues for business-type activities:

Revenues – The following chart visually illustrates the City's revenue by sources for business-type activities:





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds

The focus of the City of Allen's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of $108,013,555, an increase of $18,529,258 of (21%) in comparison with the prior fiscal year. Approximately 27%, or $26,826,184 or (25%) constitutes unassigned fund balances, which are available for spending at the government's discretion. The remaining fund balances are classified as non-spendable, restricted, or assigned to indicate that they are not available for new spending allocation. The non-spendable portion includes $2,130 related to prepaid items and $7,398 associated with inventories. The restricted portion includes: debt service ($1,858,730), capital expenditures ($31,887,306), tourism ($2,528,215), asset forfeiture ($127,306), state and federal grants ($281,538), park acquisition and development ($1,062,017), tax increment financing agreements ($6,495,957), court technology ($121,841), juvenile case manager ($3,404), PEG fees ($1,086,250), radio system ($496,163), court security ($5,390), public safety and library enhancements ($457,322), and cemetery trust ($63,185). In addition, $34,703,219 was assigned to capital expenditures.

General Fund. The General Fund is the chief operating fund of the City. As of the end of the current fiscal year, the total unassigned fund balance was $26,826,184, while the total fund balance was $26,898,146. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27% of total General Fund expenditures.

The original budget included a planned balanced budget with no change in fund balance. However, the General Fund balance increased by $883,450 or 3% during the current fiscal year. This was the result of achieving actual expenditures below budget and primarily due to reductions in general government expenditures.

Debt Service Fund. The Debt Service Fund balance of $1,858,730, all of which is restricted for the payment of debt, represents an increase from the prior year of $145,410 (8%). Higher property valuations and increased investment income outweighed the City's annual debt service requirements.

Capital Projects Fund. The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of $34,703,970 at September 30, 2020, an increase of $2,679,286. Revenues and other financing sources totaled $5,688,046, which includes $1.5M received from Allen Sports Association for S. G. Terrell Community P&R Center, $736,251 in roadway impact fees for street improvements, $2,061,121 from other funds to cash finance capital projects, $436,888 received from HHSC for reimbursement of Fire Department ambulances service, and $426,893 in charges for median and streets improvements. Total expenditures and other uses of $3,008,760 consisted primarily of $354,453 for Cricket Field at Spirit Park, $914,728 for street and alleys improvements, $249,731 for Central Fire Station remodel and $291,845 for Public Safety hardware and software.

Grants Fund. The Grants Fund accounts for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets and had an ending fund balance of $281,538, an increase of $17,809 (7%) from the prior year. In fiscal year 2020, the Grants Fund received $4,468,747 in advanced funding from the CARES Act related to the COVID-19 pandemic. CARES Act expenditures of $1,416,965 plus refund to Collin county $1,545,319 were recognized as revenue in fiscal year 2020 and the remaining balance of $1,506,463 is recorded as unearned revenue.

General Obligation Bond Fund. The General Obligation Bond Fund had an ending fund balance of $31,887,306, which represents an increase of $13,696,884 (75%) from the prior year. Expenditures totaled $8,718,082, which consisted mainly of $3,856,019 for Central Fire Station remodel, $2,109,629 for S. G. Terrell Community P&R Center, $690,000 for street and alleys improvements, and $378,164 for storm sirens. Other financing sources consisted mainly of issuance of bonds totaling $18,830,000 and the related premium of $3,077,585.

Proprietary funds

The City's proprietary funds provide information like the presentation in the government-wide financial statements, but in more detail. As of September 30, 2020, the unrestricted net position for all enterprise funds were as follows: Water and Sewer, $43,290,477; Solid Waste, $3,877,832; Drainage, $1,482,714 and Golf Course, $744,766. The total change in net position for these funds was an increase of $9,443,511; an increase of $136,514; an increase of $258,018; and an increase of $473,536, respectively.

The Water and Sewer Fund had an increase in net position as a result of a significant increase in water demand over the summer months of 2020 coupled with increase in water and sewer rates. The Solid Waste Fund had an increase in net position due to increase in garbage collection fees. The Drainage Fund had an increase in net position due to increased gifts and donations. The Golf Course Fund had an increase in net position due to increased transfers in from other funds.

General Fund Budgetary Highlights

During April and May each year, all accounts are evaluated to determine whether they are in line with the original budgets. Accounts that are under or over budget are revised to meet year-end final estimates. New projects are not added to the year-end estimate; only the cost of maintaining the current base operation is revised as needed. As is customary, during fiscal year ended September 30, 2020, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2020 decreased the original revenue budget by $7,678,155 and decreased the expenditure budget by $6,706,137. Due to actual expenditures being $1,311,896 less than the revised budget and revenues exceeding the revised budget by $1,700,790, the City was able to transfer $1,761,121 to the General Capital Projects Fund to cash finance future capital projects and transfer $900,000 to the Vehicle Replacement Fund for vehicle purchases. The General Fund's unrestricted operational expenditure in reserve increased to 95 days from the amended budget of 92 days, which is well above the City's financial policy to maintain an operational expenditure reserve of 60- to 90-days.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, was $588,040,609 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, roads and bridges. About 79% of the capital assets are governmental and 21% represent business-type activities. There was a decrease of .26% in the investment in capital assets for the current fiscal year.

Table 3
Capital Assets at Year-end, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 154,055,221	$ 148,615,695	$ 4,091,626	$ 4,087,385	$ 158,146,847	$ 152,703,080
Buildings	65,072,458	67,637,987	-	-	65,072,458	67,637,987
Towers, tanks, and pump stations	-	-	110,837,749	108,869,545	110,837,749	108,869,545
Other Improvements	210,021,866	215,915,622	330,865	293,775	210,352,731	216,209,397
Furniture and fixtures	265,852	138,814	-	-	265,852	138,814
Vehicles	7,903,493	7,964,345	326,283	372,275	8,229,776	8,336,620
Machinery and equipment	3,011,000	3,727,830	1,220,231	1,578,068	4,231,231	5,305,898
Construction in progress	23,206,266	21,940,603	7,697,699	8,428,355	30,903,965	30,368,958
Total	$ 463,536,156	$ 465,940,896	$124,504,453	$ 123,629,403	$ 588,040,609	$ 589,570,299

The major governmental-type capital improvement projects and developer contributions during the current fiscal year included the following:

Developer Contributed Streets, Alleys, and Rights of Way	$ 10,165,418
Central Fire Station Remodel	4,105,750
S G Terrell Community Recreation Center	2,145,589
Cricket Field and Spirit Park	345,453
Street construction:	
Street and Alleys Improvements	$ 914,728
Allen Drive Gateway	285,991
Traffic Signals	196,900

Business-type capital improvement projects and developer contributions during the current fiscal year include the following:

Developer contributed water mains and sewer lines	$ 3,441,821
Water storage tank repaint at Stacy and Bethany	1,014,060
Hillside Water & Sewer Rehabilitation Phase 2	515,731

Additional information on the City's capital assets can be found in Note 4 of this report.

DEBT ADMINISTRATION

As shown in Table 4, the City's total outstanding debt of the primary government at September 30, 2020, was $161,496,701. Of this total, $135,752,316 (84%) was associated with governmental activities and $25,744,385 (16%) was business-type activities. Total gross bonded debt and a note payable accounted for $125,481,911, which include $88,395,000 of General Obligation (G.O.) bonds backed by the full faith and credit of the primary government; $19,450,000 secured solely by water and sewer revenues; notes payable balance of $4,920,000 and $12,716,911 in net premiums and discounts from bond issuances. Other long-term debt relates to accrued compensated absences, net pension liability, net OPEB liability, and capital leases liability.

Outstanding debts associated with the component units totaled $36,720,305. Out of which, $34,540,000 are secured by future sales tax revenue; $1,319,975 (notes payable) are secured by land; and $860,300 are premiums and discounts from bond issuances.

During fiscal year 2020, the City issued General Obligation Improvement and Refunding Bonds in the amount of $23,385,000; $4,880,000 in Waterworks and Sewer System Revenue Bonds; and $3,175,000 of Tax Notes.

The revenue bond debt for both component units relates to debt issued to support public infrastructure improvements, land acquisition, and construction of the Allen Event Center. The notes payable in the Component Units relate to a loan agreement in which Allen Economic Development Corporation entered to finance the purchase of 31 acres of land. Total debt of the Component Units decreased by 7.4%. Total debt for the Allen Economic Development Corporation decreased by 8.8%, and for the Allen Community Development Corporation, total debt decreased by 6.7%. During the year, the Allen Economic Development Corporation issued Sales Tax Revenue Bonds in the amount of $2,110,000.

Table 4
Outstanding Debt at Year-end
Bonds and Other Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2020	2019	2020	2019	2020	2019	2020	2019
Gross bonded debt								
General obligation bonds	$ 88,395,000	$ 83,815,000	$ -	$ -	$ 88,395,000	$ 83,815,000	$ -	$ -
Revenue bonds payable	-	-	19,450,000	15,535,000	19,450,000	15,535,000	-	-
Premiums and discounts	10,585,840	7,651,739	2,131,071	1,102,388	12,716,911	8,754,127	860,330	992,689
Sales tax revenue bonds	-	-	-	-	-	-	34,540,000	36,715,000
Notes payable	4,920,000	2,600,000	-	-	4,920,000	2,600,000	1,319,975	1,960,616
Total gross bonded debt	103,900,840	94,066,739	21,581,071	16,637,388	125,481,911	110,704,127	36,720,305	39,668,305
Other long-term debt								
Compensated absences	7,854,230	7,036,501	787,220	746,994	8,641,450	7,783,495	-	-
Net pension liability	22,391,559	34,032,752	2,762,777	4,189,807	25,154,336	38,222,559	-	-
Net OPEB liability	1,559,682	1,310,379	190,162	159,601	1,749,844	1,469,980	-	-
Capital leases	46,005	75,991	423,155	569,182	469,160	645,173	-	-
Total other long-term debt	31,851,476	42,455,623	4,163,314	5,665,584	36,014,790	48,121,207	-	-
Total	$ 135,752,316	$ 136,522,362	$ 25,744,385	$ 22,302,972	$ 161,496,701	$ 158,825,334	$ 36,720,305	$ 39,668,305

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's General Obligation Bonds, Certificates of Obligation, Waterworks and Sewer System Revenue Bonds, Community Development Corporation's Sales Tax Bonds, and Economic Development Sales Tax Revenue Bonds are shown below in Table 5. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

Table 5
Bond Ratings

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aaa	AAA
Certificates of Obligation	Aaa	AAA
Water & Sewer Revenue Bonds	Aa2	AAA
CDC Sales Tax Revenue Bonds	Aa2	
EDC Sales Tax Revenue Bonds	Aa2	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Allen, Texas continues to be financially strong. Although the economy is the primary factor, the City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates and fees that will be charged for the business-type activities. The priority for fiscal year 2021 continues to be maintaining quality service while observing prudent spending practices.

Highlights of the 2021 budget include:

- Balanced budget, with total revenues equal to or greater than total expenditures
- Property tax rate reduced by four-tenths of a cent to $0.485 per $100 assessed value

- Total City budget $273.4 million
- General Fund budget $107.7 million
- Increased and sustained funding for equipment and facilities improvements
- Proposed general obligation bonds issues of about $21.7 million, with $3 million for parks, $3.9 million for streets and drainage, $14.4 million for library expansion and $424,920 for public art.
- Additional 2 full-time equivalent (FTE) positions (1 in General Fund and 1 in Risk Fund)

The property tax rate for fiscal year 2021 decreased from $0.489 to $0.485 per $100 assessed value.
For fiscal year 2021, the water rates remained the same and wastewater (sewer) rates increased 5%, due to increased cost of service from the North Texas Municipal Water District (NTMWD). There were no changes in solid waste and drainage rates.

Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, please contact the Finance Department at 305 Century Parkway, Allen, Texas, 75013, or call (214) 509-4626.

Basic Financial Statements

CITY OF ALLEN

City of Allen, Texas

Statement of Net Position
September 30, 2020

Exhibit 1

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 44,706,329	$ 29,092,386	$ 73,798,715	$ 11,051,646
Investments	95,349,378	25,540,991	120,890,369	17,387,355
Receivables (net of allowance for uncollectibles)	9,181,528	10,383,493	19,565,021	3,826,092
Internal balances	(1,407,910)	1,407,910	-	-
Prepaid items and other assets	253,730	-	253,730	-
Net OPEB asset	832,461	-	832,461	-
Inventories	7,398	73,928	81,326	-
Restricted cash and cash equivalents	-	1,895,659	1,895,659	-
Capital assets:				
Non-depreciable	177,261,487	11,789,325	189,050,812	20,814,212
Depreciable (net of depreciation)	286,274,669	112,715,128	398,989,797	46,629,999
TOTAL ASSETS	612,459,070	192,898,820	805,357,890	99,709,304
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	891,808	69,809	961,617	780,869
Deferred outflows of resources - OPEB	391,428	49,225	440,653	-
Deferred outflows of resources - pension	7,066,125	871,354	7,937,479	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,349,361	990,388	9,339,749	780,869
LIABILITIES				
Accounts payable	7,565,438	1,375,938	8,941,376	173,406
Accrued liabilities	3,838,655	246,687	4,085,342	603,891
Accrued interest payable	492,755	212,139	704,894	96,155
Customer deposits	-	977,608	977,608	-
Unearned revenue	2,965,260	-	2,965,260	-
Retainage payable	110,767	-	110,767	3,725
Non-current liabilities:				
Due within one year	16,950,868	1,967,542	18,918,410	3,775,811
Due in more than one year	118,801,448	23,716,371	142,517,819	32,944,494
TOTAL LIABILITIES	150,725,191	28,496,285	179,221,476	37,597,482
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	423,865	36,433	460,298	-
Deferred inflows of resources - pension	5,577,888	683,880	6,261,768	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,001,753	720,313	6,722,066	-
NET POSITION				
Net investment in capital assets	392,368,425	113,355,391	505,723,816	40,104,301
Restricted for:				
Debt service	1,380,242	513,520	1,893,762	700,778
Tourism	2,528,215	-	2,528,215	-
Park acquisition and development	1,062,017	-	1,062,017	-
State and federal grants	127,306	-	127,306	-
Tax increment financing	6,495,957	-	6,495,957	-
Other purposes	2,297,676	-	2,297,676	-
Unrestricted	57,821,649	50,803,699	108,625,348	22,087,612
TOTAL NET POSITION	$ 464,081,487	$ 164,672,610	$ 628,754,097	$ 62,892,691

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas
Statement of Activities
For the Year Ended September 30, 2020

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	$ 24,937,087	$ 509,691	$ 1,723,634	$ -
Public safety	47,369,212	2,189,114	598,320	-
Public works	22,393,268	725,209	-	5,162,653
Culture and recreation	29,015,632	3,793,429	1,085,628	37,485
Community development	5,238,233	2,530,977	20,049	5,439,526
Interest on long-term debt	2,745,698	-	-	-
Total governmental activities	131,699,130	9,748,420	3,427,631	10,639,664
Business-type activities:				
Water and sewer	45,524,999	49,461,636	-	8,332,962
Solid waste	6,525,391	7,116,831	-	-
Drainage	1,555,570	2,162,770	-	-
Golf course	3,166,856	3,199,136	-	-
Total business-type activities	56,772,816	61,940,373	-	8,332,962
TOTAL PRIMARY GOVERNMENT	$ 188,471,946	$ 71,688,793	$ 3,427,631	$ 18,972,626
COMPONENT UNITS:				
Allen Economic Development Corporation	$ 14,117,195	$ -	$ -	$ -
Allen Community Development Corporation	8,536,701	-	-	-
TOTAL COMPONENT UNITS	$ 22,653,896	$ -	$ -	$ -

General revenues:	
Taxes:	
Property taxes	
Sales taxes	
Franchise taxes	
Hotel motel taxes	
Other taxes	
Investment earnings	
Gain on sale of assets	
Miscellaneous	
Transfers	
Total general revenues and transfers	
CHANGE IN NET POSITION	
NET POSITION, beginning of year	
NET POSITION, end of year	

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - Type Activities	TOTAL	COMPONENT UNITS
$ (22,703,762)	$ -	$ (22,703,762)	$ -
(44,581,778)	-	(44,581,778)	-
(16,505,406)	-	(16,505,406)	-
(24,099,090)	-	(24,099,090)	-
2,752,319	-	2,752,319	-
(2,745,698)	-	(2,745,698)	-
(107,883,415)	-	(107,883,415)	-
-	12,269,599	12,269,599	-
-	591,440	591,440	-
-	607,200	607,200	-
-	32,280	32,280	-
-	13,500,519	13,500,519	-
$ (107,883,415)	$ 13,500,519	$ (94,382,896)	$ -
$ -	$ -	$ -	$ (14,117,195)
-	-	-	(8,536,701)
$ -	$ -	$ -	$ (22,653,896)
$ 70,917,335	$ -	$ 70,917,335	$ -
21,686,335	-	21,686,335	21,342,184
7,454,713	-	7,454,713	-
1,156,398	-	1,156,398	-
1,195,296	-	1,195,296	-
4,246,550	1,140,957	5,387,507	679,382
144,347	9,713	154,060	1,223,686
4,188,530	353,278	4,541,808	5,815,284
4,603,154	(4,603,154)	-	-
115,592,658	(3,099,206)	112,493,452	29,060,536
7,709,243	10,401,313	18,110,556	6,406,640
456,372,244	154,271,297	610,643,541	56,486,051
$ 464,081,487	$ 164,672,610	$ 628,754,097	$ 62,892,691

City of Allen, Texas
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	General Capital Projects
ASSETS			
Cash and cash equivalents	$ 364,156	$ 1,802,644	$ 10,316,897
Investments	27,300,720	66,554	24,911,064
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	57,967	14,267	-
Sales taxes	3,813,502	-	-
Accounts receivable	-	-	-
Accrued interest	134,896	839	126,075
Other	3,003,723	2,134	436,888
Inventories	7,398	-	-
Prepaid items	1,379	-	751
TOTAL ASSETS	$ 34,683,741	$ 1,886,438	$ 35,791,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,420,620	13,441	$ 659,223
Accrued liabilities	2,360,445	-	371,258
Unearned revenue	1,458,797	-	-
Retainage payable	3,500	-	57,224
TOTAL LIABILITIES	7,243,362	13,441	1,087,705
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	57,967	14,267	-
Unavailable revenue - charges for services	440,518	-	-
Unavailable revenue - miscellaneous	5,418	-	-
Unavailable revenue - interest	9,860	-	-
Unavailable revenue - fines	28,470	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	542,233	14,267	-
FUND BALANCES			
Nonspendable			
Prepaid items	1,379	-	751
Inventories	7,398	-	-
Restricted			
Debt service	-	1,858,730	-
Capital expenditures	-	-	-
Tourism	-	-	-
Asset forfeiture	-	-	-
State and federal grants	-	-	-
Park acquisition and development	-	-	-
Tax increment financing agreement	-	-	-
Court technology	-	-	-
Juvenile case manager	-	-	-
PEG fees	-	-	-
Radio system	-	-	-
Court security	-	-	-
Public safety and library enhancements	-	-	-
Cemetery trust	63,185	-	-
Assigned			
Capital expenditures	-	-	34,703,219
Unassigned	26,826,184	-	-
TOTAL FUND BALANCES	26,898,146	1,858,730	34,703,970
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 34,683,741	$ 1,886,438	$ 35,791,675

The Notes to Financial Statements are an integral part of this statement.

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ 2,420,577	$ 11,095,965	$ 5,938,504	$ 31,938,743
26,841	21,616,852	6,425,747	80,347,778
-	-	-	72,234
-	-	-	3,813,502
1,140,138	-	159,655	1,299,793
8,732	125,118	37,235	432,895
-	-	-	3,442,745
-	-	-	7,398
-	-	-	2,130
$ 3,596,288	$ 32,837,935	$ 12,561,141	$ 121,357,218
$ 1,807,491	$ 900,586	$ 122,901	$ 6,924,262
-	-	53,567	2,785,270
1,506,463	-	-	2,965,260
-	50,043	-	110,767
3,313,954	950,629	176,468	12,785,559
-	-	-	72,234
-	-	-	440,518
-	-	-	5,418
796	-	808	11,464
-	-	-	28,470
796	-	808	558,104
-	-	-	2,130
-	-	-	7,398
-	-	-	1,858,730
-	31,887,306	-	31,887,306
-	-	2,528,215	2,528,215
-	-	127,306	127,306
281,538	-	-	281,538
-	-	1,062,017	1,062,017
-	-	6,495,957	6,495,957
-	-	121,841	121,841
-	-	3,404	3,404
-	-	1,086,250	1,086,250
-	-	496,163	496,163
-	-	5,390	5,390
-	-	457,322	457,322
-	-	-	63,185
-	-	-	34,703,219
-	-	-	26,826,184
281,538	31,887,306	12,383,865	108,013,555
$ 3,596,288	$ 32,837,935	$ 12,561,141	$ 121,357,218

City of Allen, Texas **Exhibit 4**

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2020

Total fund balance of governmental funds balance sheet			$ 108,013,555
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.			463,536,156
Funds comprising the net OPEB asset are not current financial resources and therefore are not reported in the governmental funds balance sheet.			832,461
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:			
Deferred charges on refunding	$ 891,808		
Deferred outflows of resources - OPEB	391,428		
Deferred outflows of resources - pension	7,066,125		
Deferred inflows of resources - OPEB	(423,865)		
Deferred inflows of resources - pension	(5,577,888)		2,347,608
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability on the governmental funds balance sheet.			(492,755)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds ($35,418,197) are net of the amount allocated to business-type activities ($1,407,910) and to capital assets ($8,971,613).			25,038,674
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.			558,104
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.			
Long-term liabilities consist of:			
General obligation bonds	$ (88,395,000)		
Tax notes	(4,920,000)		
Capital lease payable	(46,005)		
Premiums/discounts	(10,585,840)		
Compensated absences	(7,854,230)		
Net OPEB liability	(1,559,682)		
Net pension liability	(22,391,559)		(135,752,316)
Net position of governmental activities			$ 464,081,487

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

City of Allen, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Debt Service	General Capital Projects
REVENUES			
Ad valorem taxes, penalties and interest	$54,955,725	$ 14,483,717	$ -
Municipal sales tax	21,250,065	-	-
Franchise taxes	7,296,321	-	-
Licenses, permits and fees	3,125,832	-	-
Charges for services	5,891,767	-	953,481
Fines	1,102,633	-	-
Gifts and contributions	821,914	-	-
Hotel / motel fees	-	-	-
Intergovernmental	1,051,640	-	474,373
Investment earnings	1,431,967	78,754	997,110
Miscellaneous	2,159,505	-	1,672,179
Total revenues	99,087,369	14,562,471	4,097,143
EXPENDITURES			
Current			
General government	21,741,541	-	521,193
Public safety	45,105,846	-	-
Public works	6,102,092	-	1,038,492
Culture and recreation	23,438,747	-	4,500
Community development	3,254,786	-	-
Capital outlay	175,010	-	1,444,575
Debt service:			
Principal retirement	-	11,094,986	-
Interest and fiscal charges	-	3,414,094	-
Total expenditures	99,818,022	14,509,080	3,008,760
Excess (deficiency) of revenues over (under) expenditures	(730,653)	53,391	1,088,383
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds	-	7,730,000	-
Issuance of bonds	-	-	-
Premium on bonds issued	-	957,019	-
Payment to refunded bond escrow agent	-	(8,595,000)	-
Transfers in	5,327,680	-	2,061,121
Transfers out	(3,729,369)	-	(470,218)
Proceeds from sale of capital assets	15,792	-	-
Total other financing sources (uses)	1,614,103	92,019	1,590,903
NET CHANGE IN FUND BALANCES	883,450	145,410	2,679,286
FUND BALANCES, BEGINNING OF YEAR	26,014,696	1,713,320	32,024,684
FUND BALANCES, END OF YEAR	$26,898,146	$ 1,858,730	$ 34,703,970

The Notes to Financial Statements are an integral part of this statement.

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,579,291	$ 71,018,733
-	-	436,270	21,686,335
-	-	158,392	7,454,713
-	-	215,535	3,341,367
-	-	-	6,845,248
-	-	92,663	1,195,296
-	-	-	821,914
-	-	1,156,398	1,156,398
2,239,513	-	445,079	4,210,605
17,139	764,471	359,346	3,648,787
	-	65,208	3,896,892
2,256,652	764,471	4,508,182	125,276,288
236,000	257,666	1,014,357	23,770,757
17,259	-	248,959	45,372,064
1,961,060	1,241,183	-	10,342,827
5,193	23,370	1,439,145	24,910,955
-	-	-	3,254,786
19,331	7,195,863	623,306	9,458,085
-	-	-	11,094,986
-	-	-	3,414,094
2,238,843	8,718,082	3,325,767	131,618,554
17,809	(7,953,611)	1,182,415	(6,342,266)
-	-	-	7,730,000
-	18,830,000	-	18,830,000
-	3,077,585	-	4,034,604
-	-	-	(8,595,000)
-	-	-	7,388,801
-	(257,090)	(97,680)	(4,554,357)
-	-	21,684	37,476
-	21,650,495	(75,996)	24,871,524
17,809	13,696,884	1,106,419	18,529,258
263,729	18,190,422	11,277,446	89,484,297
$ 281,538	$31,887,306	$ 12,383,865	$ 108,013,555

City of Allen, Texas **Exhibit 6**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2020

Net change in fund balances - total governmental funds		$ 18,529,258
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		9,458,085
Current year changes in the net other post employment benefit asset are not current financial resources and therefore are not reported in the governmental funds.		24,699
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		10,165,418
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(21,309,153)
The proceeds from issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Refunding bonds issued	(7,730,000)	
Bonds issued	(18,830,000)	
Premium on bonds issued	(4,034,604)	
Payment to refunding bond escrow agent	8,595,000	
Bond and capital lease principal retirement	11,094,986	
Amortization of bond premiums	1,100,503	
Deferred charges on refunding additions	2,566	
Amortization of deferred charges on refunding	(383,197)	(10,184,746)
Current year changes for compensated absences, net pension liability, net OPEB liability, deferred inflows/outflows related to pensions, and OPEB do not require the use of current financial resources and, therefore, are not reported in governmental funds.		(1,848,363)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(51,474)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities net of amounts allocated to business-type activities.		3,444,306
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(518,787)
Change in net position of governmental activities		$ 7,709,243

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Statement of Net Position
Proprietary Funds
September 30, 2020

Exhibit 7

	Business-type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 25,391,323	$ 1,636,164	$ 384,656	$ 1,680,243	$ 29,092,386	$ 12,767,586
Investments	23,569,216	1,577,117	394,658	-	25,540,991	15,001,600
Receivables, net of allowance for uncollectibles:						
Accounts	8,798,465	952,192	284,084	-	10,034,741	22,941
Accrued interest	136,654	11,947	3,584	-	152,185	97,418
Other	2,564	181,090	-	12,913	196,567	-
Inventories	73,928	-	-	-	73,928	251,600
Restricted cash and cash equivalents	1,895,659	-	-	-	1,895,659	-
Total current assets	59,867,809	4,358,510	1,066,982	1,693,156	66,986,457	28,141,145
NONCURRENT ASSETS						
CAPITAL ASSETS						
Land	4,091,626	-	-	-	4,091,626	-
Construction in progress	6,963,285	-	734,414	-	7,697,699	-
Other improvements	-	-	496,132	-	496,132	-
Towers, tanks, and pump stations	216,042,913	-	-	-	216,042,913	-
Vehicles	864,068	140,440	151,554	-	1,156,062	17,529,340
Machinery and equipment	3,290,535	12,359	598,962	1,498,135	5,399,991	5,803,006
Total capital assets	231,252,427	152,799	1,981,062	1,498,135	234,884,423	23,332,346
Less: accumulated depreciation	(108,491,519)	(75,557)	(741,123)	(1,071,771)	(110,379,970)	(14,360,733)
Capital assets, net of accumulated depreciation	122,760,908	77,242	1,239,939	426,364	124,504,453	8,971,613
Total noncurrent assets	122,760,908	77,242	1,239,939	426,364	124,504,453	8,971,613
TOTAL ASSETS	182,628,717	4,435,752	2,306,921	2,119,520	191,490,910	37,112,758
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	69,809	-	-	-	69,809	-
Deferred outflows of resources - OPEB	31,699	4,099	4,004	9,423	49,225	-
Deferred outflows of resources - pension	571,589	66,502	61,864	171,399	871,354	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	673,097	70,601	65,868	180,822	990,388	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	1,040,033	123,597	70,605	141,703	1,375,938	641,176
Accrued liabilities	147,552	42,965	14,252	41,918	246,687	74
Accrued compensated absences - current	304,966	42,429	72,652	98,417	518,464	-
Incurred but not reported claims	-	-	-	-	-	1,053,311
Payable from restricted assets:						
Revenue bonds payable - current	1,304,800	-	-	-	1,304,800	-
Capital leases payable - current	-	-	-	144,278	144,278	-
Accrued interest payable	212,139	-	-	-	212,139	-
Customer deposits payable	941,305	-	-	36,303	977,608	-
Total current liabilities	3,950,795	208,991	157,509	462,619	4,779,914	1,694,561
NONCURRENT LIABILITIES						
Revenue bonds payable	20,215,800	-	-	-	20,215,800	-
Capital leases payable	-	-	-	278,877	278,877	-
Net OPEB liability	122,467	15,329	14,604	37,762	190,162	-
Net pension liability	1,841,331	208,119	183,431	529,896	2,762,777	-
Accrued compensated absences	136,155	56,157	(31,763)	108,206	268,755	-
Total noncurrent liabilities	22,315,753	279,605	166,272	954,741	23,716,371	-
TOTAL LIABILITIES	26,266,548	488,596	323,781	1,417,360	28,496,285	1,694,561
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	438,357	59,708	57,841	127,974	683,880	-
Deferred inflows of resources - OPEB	23,497	2,975	2,928	7,033	36,433	-
TOTAL DEFERRED INFLOWS OF RESOURCES	461,854	62,683	60,769	135,007	720,313	-
NET POSITION						
Net investment in capital assets	112,769,415	77,242	505,525	3,209	113,355,391	8,971,613
Restricted for revenue bond principal and interest	513,520	-	-	-	513,520	-
Unrestricted	43,290,477	3,877,832	1,482,714	744,766	49,395,789	26,446,584
TOTAL NET POSITION	$ 156,573,412	$ 3,955,074	$ 1,988,239	$ 747,975	$ 163,264,700	$ 35,418,197

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 8**

Reconciliation of the Statement of Net Position
of Proprietary Funds to the
Government – Wide Statement of Net Position
September 30, 2020

Amounts reported for business-type activities in the statement of net position are different because:	
Total net position per statement of net position	$ 163,264,700
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The assets and liabilities of internal service funds are included in the governmental activities in the government-wide statement of net position. The amount shown represents the net receivable from internal service funds allocated to business-type activities since the adoption of GASB 34.	1,407,910
Total net position of business-type activities	$ 164,672,610

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 9**

Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	Internal Service Funds
OPERATING REVENUES						
Charges for sales and services:						
Water sales	$ 28,879,153	$ -	$ -	$ -	$ 28,879,153	$ -
Sewer charges	19,711,922	-	-	-	19,711,922	-
Connection fees	190,634	-	-	-	190,634	-
Garbage collections	-	7,116,831	-	-	7,116,831	-
Service charges	679,927	-	57,971	3,199,136	3,937,034	16,096,541
Drainage fees	-	-	1,754,799	-	1,754,799	-
Gifts and contributions	-	-	350,000	-	350,000	-
Miscellaneous	265,949	40,155	17,070	30,104	353,278	369,888
Total operating revenues	49,727,585	7,156,986	2,179,840	3,229,240	62,293,651	16,466,429
OPERATING EXPENSES						
Personnel services	5,762,024	783,689	752,440	1,716,266	9,014,419	386,131
Contractual services	31,194,753	5,616,788	262,101	955,099	38,028,741	12,429,004
Maintenance	801,402	4,848	232,715	109,276	1,148,241	324,567
Supplies	438,614	27,776	67,215	212,932	746,537	13,402
Depreciation	6,023,452	14,668	61,177	162,430	6,261,727	2,364,453
Other	829,885	77,622	179,922	10,853	1,098,282	-
Total operating expenses	45,050,130	6,525,391	1,555,570	3,166,856	56,297,947	15,517,557
OPERATING INCOME	4,677,455	631,595	624,270	62,384	5,995,704	948,872
NON-OPERATING REVENUES (EXPENSES)						
Investment earnings	1,029,147	80,841	30,969	-	1,140,957	709,588
Interest expense	(564,603)	-	-	-	(564,603)	-
Gain on disposal of capital assets	9,713	-	-	-	9,713	106,870
Total non-operating revenues (expenses)	474,257	80,841	30,969	-	586,067	816,458
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	5,151,712	712,436	655,239	62,384	6,581,771	1,765,330
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Development fees	4,891,141	-	-	-	4,891,141	-
Capital contributions	3,441,821	-	-	-	3,441,821	-
Transfers in	972,845	-	-	411,152	1,383,997	1,768,710
Transfers out	(5,014,008)	(575,922)	(397,221)	-	(5,987,151)	-
Total capital contributions and transfers	4,291,799	(575,922)	(397,221)	411,152	3,729,808	1,768,710
CHANGE IN NET POSITION	9,443,511	136,514	258,018	473,536	10,311,579	3,534,040
NET POSITION, BEGINNING OF YEAR	147,129,901	3,818,560	1,730,221	274,439	152,953,121	31,884,157
NET POSITION, END OF YEAR	$ 156,573,412	$ 3,955,074	$ 1,988,239	$ 747,975	$ 163,264,700	$ 35,418,197

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 10**

Reconciliation of the Statement of Revenues, Expenses,
and Changes in Net Position of Proprietary Funds
to the Statement of Activities
For the Year Ended September 30, 2020

Amounts reported for business-type activities in the statement of activities are different because:	
Net change in fund net position- total proprietary funds	$ 10,311,579
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The net expenses of certain activities of internal service funds is allocated to business-type activities.	89,734
Change in net position of business-type activities	$ 10,401,313

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Exhibit 11

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 50,085,800	$ 7,118,978	$ 2,180,247	$ 3,222,050	$ 62,607,075	$ -
Cash received from transactions with other funds	-	-	-	-	-	16,626,900
Cash paid to employees for services	(5,722,073)	(778,528)	(784,747)	(1,708,998)	(8,994,346)	(390,680)
Cash paid for goods and services	(34,091,359)	(5,798,973)	(809,528)	(1,258,734)	(41,958,594)	(3,990,703)
Cash paid for claims	-	-	-	-	-	(8,582,668)
Net cash provided by operating activities	10,272,368	541,477	585,972	254,318	11,654,135	3,662,849
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	972,845	-	-	411,152	1,383,997	1,768,710
Transfers out to other funds	(5,014,008)	(575,922)	(397,221)	-	(5,987,151)	-
Net cash provided by (used in) non-capital financing activities	(4,041,163)	(575,922)	(397,221)	411,152	(4,603,154)	1,768,710
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on revenue bond maturities	(965,000)	-	-	-	(965,000)	-
Interest and fees paid on long-term debt	(648,712)	-	-	-	(648,712)	-
Acquisition and construction of capital assets	(2,885,762)	-	(759,838)	(49,354)	(3,694,954)	(1,645,363)
Proceeds from sale of capital assets	9,713	-	-	-	9,713	106,870
Capital lease payments	-	-	-	(146,027)	(146,027)	-
Proceeds from debt issuance	5,997,262	-	-	-	5,997,262	-
Contributions from developers	4,891,141	-	-	-	4,891,141	-
Net cash provided by (used in) capital and related financing activities	6,398,642	-	(759,838)	(195,381)	5,443,423	(1,538,493)
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investment securities	1,950,953	1,242,327	494,066	-	3,687,346	4,241,560
Interest on investments	1,007,752	80,253	31,932	-	1,119,937	697,607
Net cash provided by investing activities	2,958,705	1,322,580	525,998	-	4,807,283	4,939,167
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,588,552	1,288,135	(45,089)	470,089	17,301,687	8,832,233
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,698,430	348,029	429,745	1,210,154	13,686,358	3,935,353
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 27,286,982	$ 1,636,164	$ 384,656	$ 1,680,243	$ 30,988,045	$ 12,767,586
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Net operating income	$ 4,677,455	$ 631,595	$ 624,270	$ 62,384	$ 5,995,704	$ 948,872
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	6,023,452	14,668	61,177	162,430	6,261,727	2,364,453
Change in assets and liabilities:						
Accounts receivable	828,659	(137,294)	(41,394)	10,249	660,220	167,103
Other receivables	467,148	(38,008)	407	(12,813)	416,734	-
Prepaids	-	-	-	-	-	(26,918)
Inventories	82,260	-	-	-	82,260	-
Deferred outflows - pension	559,078	76,492	74,177	163,080	872,827	-
Deferred outflows - OPEB	(16,810)	(2,308)	(2,237)	(4,906)	(26,261)	-
Accounts payable	(1,562,448)	45,545	(26,181)	19,549	(1,523,535)	209,339
Retainage payable	(174,432)	-	-	-	(174,432)	-
Accrued liabilities	(74,682)	(1,635)	(12,838)	(21,869)	(111,024)	-
Net OPEB liability	19,562	2,687	2,603	5,709	30,561	-
Net pension liability	(914,065)	(125,061)	(121,275)	(266,629)	(1,427,030)	-
Compensated absences	43,718	16,999	(28,787)	8,295	40,225	-
Deposits	(108,933)	-	-	5,623	(103,310)	-
Deferred inflows - pension	412,563	56,446	54,738	120,343	644,090	-
Deferred inflows - OPEB	9,843	1,351	1,312	2,873	15,379	-
Total adjustments	5,594,913	(90,118)	(38,298)	191,934	5,658,431	2,713,977
Net cash provided by operating activities	$ 10,272,368	$ 541,477	$ 585,972	$ 254,318	$ 11,654,135	$ 3,662,849
NON-CASH INVESTING ACTIVITIES:						
Change in the fair value of investments	$ (67,631)	$ (6,665)	$ 13,409	$ -	$ (60,887)	$ (50,132)
NON-CASH FINANCING ACTIVITIES:						
Contributions of capital assets from developers	$ 3,441,821	$ -	$ -	$ -	$ 3,441,821	$ -
Reconciliation of total cash to the statement of net position						
Cash and cash equivalents - current	$ 25,391,323	$ 1,636,164	$ 384,656	$ 1,680,243	$ 29,092,386	$ 12,767,586
Restricted cash and cash equivalents	1,895,659	-	-	-	1,895,659	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 27,286,982	$ 1,636,164	$ 384,656	$ 1,680,243	$ 30,988,045	$ 12,767,586

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 12**

Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2020

	Other Postemployment Benefits Trust Fund
ASSETS	
CURRENT ASSETS	
Cash and deposits	$ 61,086
Investments:	
Domestic Equities	416,254
Fixed Income	969,225
Real Estate	7,854
Total current assets	1,454,419
TOTAL ASSETS	1,454,419
NET POSITION	
Restricted for postemployment benefits other than pensions	1,454,419
TOTAL NET POSITION	$ 1,454,419

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 13**

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2020

	Other Postemployment Benefits Trust Fund
ADDITIONS	
Investment Income:	
Net increase in fair value of investments	$ 99,920
Less: administrative expense	(9,065)
Net Investment Income	90,855
TOTAL ADDITIONS	90,855
DEDUCTIONS	
Benefit payments	212,086
TOTAL DEDUCTIONS	212,086
CHANGE IN NET POSITION	(121,231)
NET POSITION, BEGINNING OF YEAR	1,575,650
NET POSITION, END OF YEAR	$ 1,454,419

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 14**

Statement of Net Position
Component Units
September 30, 2020

	Allen Economic Development Corporation	Allen Community Development Corporation	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 3,211,778	$ 7,839,868	$ 11,051,646
Investments	6,709,963	10,677,392	17,387,355
Sales tax receivable	1,865,811	1,865,811	3,731,622
Accounts receivable	867	-	867
Accrued interest receivable	24,637	68,966	93,603
Total current assets	11,813,056	20,452,037	32,265,093
NONCURRENT ASSETS			
CAPITAL ASSETS			
Land	18,115,044	2,239,201	20,354,245
Construction in progress	-	459,967	459,967
Buildings	1,004,091	36,225,091	37,229,182
Machine & equipment	-	3,030,834	3,030,834
Vehicles	-	874,339	874,339
Improvements other than buildings	-	38,207,511	38,207,511
Total capital assets	19,119,135	81,036,943	100,156,078
Less: accumulated depreciation	(75,307)	(32,636,560)	(32,711,867)
Capital assets, net of accumulated depreciation	19,043,828	48,400,383	67,444,211
Total noncurrent assets	19,043,828	48,400,383	67,444,211
TOTAL ASSETS	30,856,884	68,852,420	99,709,304
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	375,803	405,066	780,869
TOTAL DEFERRED OUTFLOWS OF RESOURCES	375,803	405,066	780,869
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	45,224	128,182	173,406
Retainage payable	-	3,725	3,725
Accrued interest payable	43,916	52,239	96,155
Accrued and other liabilities	603,891	-	603,891
Current portion of long-term debt	1,990,811	1,785,000	3,775,811
Total current liabilities	2,683,842	1,969,146	4,652,988
NONCURRENT LIABILITIES			
Noncurrent portion of long-term debt	10,414,494	22,530,000	32,944,494
Total noncurrent liabilities	10,414,494	22,530,000	32,944,494
TOTAL LIABILITIES	13,098,336	24,499,146	37,597,482
NET POSITION			
Net investment in capital assets	15,613,852	24,490,449	40,104,301
Restricted for debt service	492,475	208,303	700,778
Unrestricted	2,028,024	20,059,588	22,087,612
TOTAL NET POSITION	$ 18,134,351	$ 44,758,340	$ 62,892,691

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 15**

Statement of Activities
Component Units
For the year ended September 30, 2020

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Economic Development Corporation	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Community Development Corporation	Totals
COMPONENT UNITS						
Allen Economic Development Corporation	$ 14,117,195	$ -	$ -	$ (14,117,195)	$ -	$ (14,117,195)
Allen Community Development Corporation	8,536,701	-	-	-	(8,536,701)	(8,536,701)
TOTAL COMPONENT UNITS	$ 22,653,896	$ -	$ -	$ (14,117,195)	$ (8,536,701)	$ (22,653,896)
General revenues:						
Sales taxes				$ 10,671,092	$ 10,671,092	$ 21,342,184
Interest on investments				184,687	494,695	679,382
Gain on disposition of capital assets				1,223,686	-	1,223,686
Miscellaneous				5,815,284	-	5,815,284
Total general revenues				17,894,749	11,165,787	29,060,536
CHANGE IN NET POSITION				3,777,554	2,629,086	6,406,640
NET POSITION, beginning of year				14,356,797	42,129,254	56,486,051
NET POSITION, end of year				$ 18,134,351	$ 44,758,340	$ 62,892,691

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

Note 1. Summary of Significant Accounting Policies

General Statement

The City of Allen (the City) was incorporated in 1953, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 1979, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units.* The more significant accounting policies of the City are described below.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Allen Economic Development Corporation (AEDC) - The AEDC is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) - The ACDC is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

The members of both the AEDC's and ACDC's Boards of Directors are appointed by the City Council. Both the AEDC and ACDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the City itself. The AEDC and ACDC are discretely presented as governmental fund types and do not issue separate financial statements.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund
The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

General Capital Projects Fund
The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

Grants Fund
To account for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets.

General Obligation Bond Capital Projects Fund
To account for financing, acquisitions, and construction of improvements to City facilities and infrastructure not accounted for by other bond funds.

Business-type activities and all Proprietary Funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods relating to a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City reports the following major proprietary funds:

Enterprise Funds

Water and Sewer Fund
The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities for the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Solid Waste Fund
The Solid Waste Fund is used to account for the provision of solid waste services to residents of the City.

Drainage Fund
The Drainage Fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the City.

Golf Course Fund
The Golf Course Fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course purchased by the City in October 2004.

Additionally, the City reports the following Internal Service Funds:

Internal Service Funds

Replacement Fund
The Replacement Fund is an internal service fund that accounts for the costs associated with the acquisition and replacement of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund
The Risk Management Fund accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund
The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

Fiduciary Fund
The City's Fiduciary Funds are used to hold assets for the benefit of third parties (pension participants) and cannot be used to address activities or obligations of the primary government. These funds are not incorporated into the government-wide financial statements. The City's fiduciary fund accounts for the assets of the postemployment benefits trust.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fund financial statements for proprietary funds, and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes, franchise taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances are reported as assigned fund balance because they do not constitute expenditures or liabilities.

Property Taxes

The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and certain personal property located within the City. Appraised values are established by Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2019 levy was based is $14,042,841,955. Taxes are due on October 1st and are delinquent after the following January 31st. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2020, was $.4890 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district based on 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective maintenance and operations tax rate, increased by 8% excluding other contractual obligations, adjusted for new improvements, plus the calculated debt tax rate is less than the proposed city tax rate, then qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than the rollback tax rate.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds and Between Funds and Component Units

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except transactions between the component units and the primary government are recorded as transfers.

Transactions between the component units and the primary government are accounted for as external transactions (revenues and expenses). During the fiscal year ended September 30, 2020, ACDC contributed $468,818 and AEDC contributed $103,927 to the General Fund for administrative costs and for the Allen U.S.A. Celebration. These revenues were reflected as grants and contributions for the primary government in the government-wide statement of activities.

Inventories and Prepaid Items

Inventories are valued at cost using the average cost method. The inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will provide benefit in subsequent fiscal periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported as non-spendable fund balance in the governmental funds in the fund financial statements to signify that a portion of fund balance is not available for other subsequent expenditures. The consumption method is used in the fund financial statements.

Special Assessments

The City has the authority to make special assessments to property owners as part of the financing of capital improvements. Such assessments are recorded in the capital projects fund as receivables when assessed and are recognized as revenue when both the measurable and available criteria have been met (generally when collected).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	15 - 40 Years
Towers, tanks, and pump stations	30 Years
Infrastructure	10 - 50 Years
Machinery and equipment	3 - 15 Years
Vehicles	2 - 15 years
Library books	5 Years
Furniture and fixture	5 Years
Other improvements	2 - 30 Years

The City has established the Replacement Fund to account for the replacement of the City-owned vehicle, machinery, and equipment. Charges for use in the form of user payments are made by City departments to the Replacement Fund to provide for future acquisitions and replacements.

Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay and sick leave based upon the years of service. Accumulated vacation and sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and the additions to/deductions from the City's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the City's Other Postemployment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension and OPEB experience – This difference is deferred and amortized over a closed period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the statement of net position, the City reports the difference in expected and actual pension and OPEB experience, the changes in actuarial assumptions and the difference in projected and actual earnings on pension assets . These are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. In the balance sheet for the governmental funds, the City reports unavailable revenue for property taxes not received within 60 days of year end.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The City classifies governmental fund balances as follows:

Non-spendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long-term receivables.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs, and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by the City Council.

Assigned -- includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager or the Chief Financial Officer. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance - It is the goal of the City to achieve and maintain an unassigned General Fund balance that is within a range of 60 to 90 days of annual expenditures. If unassigned General Fund balance falls below the goal or has a deficiency, the City will establish a timeframe and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

Note 2. Deposits, Investments and Investment Policies

Deposits – State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits.

The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2020, with collateral required by state statutes. At year's end, the carrying amount of the City's deposits was $2,395,771, and the bank balance was $5,603,327. Of the bank balance, federal depository insurance covered $250,000 and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name. The City's petty cash balance at September 30, 2020, was $45,453.

The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were $2,645,073 and $986,298, respectively, with no corresponding bank balances as they are pooled with the City's deposits. AEDC's petty cash balance at September 30, 2020, was $100.

Investments – State statutes authorize the City to invest in U.S. Government obligations, obligations of Texas and its agencies and fully collateralized repurchase agreements. The City, AEDC and ACDC invest in TexPool which is an investment fund authorized by the Texas Legislature and administered by the Texas State Treasury. The Texas Treasury Safekeeping Trust Company is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code. The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. TexPool investments are subject to the same investment policies maintained by the State Treasury for all state funds. The Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. Government agencies, commercial paper and other safe instruments.

The *Public Funds Investment Act* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, the *Public Funds Investment Act* requires the City to adopt, implement, and publicize an investment policy. In compliance with the *Public Funds Investment Act*, the City has adopted a deposit and investment policy. The table below identifies the investment types that are authorized for the City under Government Code Chapter 2256. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Investment in One Issuer
Certificates of Deposit	5 years	None
Repurchase Agreements	5 years	None
U. S. Treasure Obligations	5 years	None
Municipal Investment Pool	5 years	None
Commercial Bank Savings Account	5 years	None
Money Market Mutual Fund	5 years	None
U. S. Government Securities (non-callable)	5 years	None
U. S. Government Securities (callable)	5 years	None
U. S. Government Sponsored Corp. Instruments: non-callable	5 years	None
U. S. Government Sponsored Corp. Instruments: callable	5 years	None
Commercial Paper	5 years	None
Bankers' Acceptance	5 years	None
Guaranteed Investment Contracts	5 years	None
State or Local Governmental Obligations	5 years	None

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

The City's investments are measured as presented in the table below. The City's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Investment Type	Primary Government	AEDC	ACDC	Other Postemployment Benefits Trust	Total September 30, 2020	Significant Other Observable Inputs (Level 2)	% of Total Government-wide Investments	Weighted Avg. Maturity (Years)	Credit Rating
Government-wide:									
Investments Measured at Amortized Cost:									
TexPool	$ 2,538,634	$ 2,225,080	$ 5,194,795	$ -	$ 9,958,509	$ -	4.55%	0.09	AAAm
TexSTAR	3,169,208	-	-	-	3,169,208	-	1.45%	0.06	AAAm
Investments Measured at NAV:									
Money Market Accounts	35,334	-	-	-	35,334	-	0.02%	0.01	AAAm
Texas CLASS	67,509,974	-	-	-	67,509,974	-	30.83%	0.14	AAAm
Investments Measured at Cost:									
Certificates of Deposit	18,590,453	1,032,130	1,642,402	-	21,264,985	-	9.71%	0.19	n/a
Investments Subject to Fair Value:									
U.S. Agencies	16,397,796	910,395	1,448,689	-	18,756,880	18,756,880	8.57%	0.26	AA+
Certificates of Deposit	9,316,329	517,537	823,065	-	10,656,931	10,656,931	4.87%	0.12	n/a
Municipal Bonds	76,585,791	4,250,201	6,763,236	-	87,599,228	87,599,228	40.01%	0.99	A to AAA
PARS OPEB Trust Program:									
Domestic Equities	-	-	-	416,254	416,254	-			
Fixed Income	-	-	-	969,225	969,225	-			
Real Estate	-	-	-	7,854	7,854	-			
Total Government-wide Plus PARS OPEB Trust	$ 194,143,519	$ 8,935,343	$ 15,872,187	$ 1,393,333	$ 220,344,382	$117,013,039			

Investment pools, money markets, certificates of deposits (Level 1), and domestic equities are measured at amortized cost, net asset value, or cost; are valued using prices quoted in active markets for those securities; and are not required to be reported by levels in the table.

Investments in U.S. Agencies securities, certificates of deposits (Level 2), commercial paper, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique in accordance with pricing sources by the custodian bank. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of $1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and TexSTAR have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

TexPool is an external investment pool measured at amortized cost. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of enough liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share. TexSTAR uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR's shares.

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAm by Standard & Poor's Rating Services.

Investments in the Other Postemployment Benefit Trust Program (the "Trust") are held by a bank trust department separate from the City's cash and investments. The City has contracted with Public Agency Retirement Services (PARS) to manage the investment portfolio of the Trust Fund. The investments are subject to the policies and guidelines established by the committee members of the Trust.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and authorized investment pools.

Credit Risk

The City's Investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The City's investments in U.S. Agency securities (FFCB, FHLB, FHLMC, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The City's investments in municipal bonds are rated AA- by

Standard and Poor's and Aa3 by Moody's Investors Service. Investments in TexPool, TexSTAR, Texas CLASS, and money market accounts carried a credit rating of AAAm by Standard & Poor's as of September 30, 2020.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy controls concentration of credit risk by limiting the amount of investment with a single issuer to no more than 35% of the total portfolio except for State approved investment pools and U.S. Government Securities. As of September 30, 2020, apart from funds invested in TexPool, TexSTAR, or Texas CLASS, the City did not have any investments with a single issuer exceeded 5% or more of the City's investments.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of the City.

The Public Funds Investment Act does require that financial institutions secure deposits made by state or local governmental bodies by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities of the collateral must always remain at least equivalent to the bank balance less the FDIC insurance.

As of September 30, 2020, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

Note 3. Receivables

Receivables at September 30, 2020, for both governmental and business-type activities, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Sales Taxes	Accrued Accounts	Interest	Other	Total
General Fund	$ 341,612	$ 3,813,502	$ -	$ 134,896	$ 5,035,208	$ 9,325,218
Debt Service	80,265	-	-	839	2,134	83,238
General Capital Projects	-	-	-	126,075	436,888	562,963
Grants Fund	-	-	1,140,138	8,732	-	1,148,870
G.O. Bond Fund	-	-	-	125,118	-	125,118
Nonmajor Governmental Funds	-	-	150,489	46,401	-	196,890
Water and Sewer Fund	-	-	9,094,599	136,654	2,564	9,233,817
Solid Waste Fund	-	-	1,002,626	11,947	181,090	1,195,663
Drainage Fund	-	-	294,067	3,584	-	297,651
Golf Course Fund	-	-	-	-	12,913	12,913
Internal Service Funds	-	-	-	97,418	22,941	120,359
Gross Receivables	421,877	3,813,502	11,681,919	691,664	5,693,738	22,302,700
Less: Allowance for Uncollectibles	(349,643)	-	(356,551)	-	(2,031,485)	(2,737,679)
Total Net Receivables, Primary Government	$ 72,234	$ 3,813,502	$ 11,325,368	$ 691,664	$ 3,662,253	$ 19,565,021
Component Units	$ -	$ 3,731,622	$ -	$ 93,603	$ 867	$ 3,826,092

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2020.

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

Governmental Activities

	Balance September 30, 2019	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2020
Governmental Funds:-					
General capital assets not being depreciated:					
Land and land improvements	$ 148,615,695	$ 5,439,526	$ -	$ -	$ 154,055,221
Construction in progress	21,940,603	8,743,094	-	(7,477,431)	23,206,266
Total capital assets not being depreciated	170,556,298	14,182,620	-	(7,477,431)	177,261,487
General capital assets being depreciated:					
Buildings	101,175,168	-	-	-	101,175,168
Improvements other than buildings	527,384,057	4,725,892	-	7,477,431	539,587,380
Furniture and fixtures	4,645,893	190,617	-	-	4,836,510
Vehicles	1,702,619	417,253	(54,210)	-	2,065,662
Library books	507,439	-	(243,842)	-	263,597
Machinery and equipment	8,504,924	107,121	(153,522)		8,458,523
Total capital assets being depreciated	643,920,100	5,440,883	(451,574)	7,477,431	656,386,840
Less accumulated depreciation for:					
Buildings	(33,537,181)	(2,565,529)	-	-	(36,102,710)
Improvements other than buildings	(311,468,435)	(18,097,079)	-	-	(329,565,514)
Furniture and fixtures	(4,533,438)	(37,220)	-	-	(4,570,658)
Vehicles	(1,149,651)	(210,194)	54,210	-	(1,305,635)
Library books	(481,080)	(26,359)	243,842	-	(263,597)
Machinery and equipment	(7,056,419)	(372,772)	153,522	-	(7,275,669)
Total accumulated depreciation	(358,226,204)	(21,309,153)	451,574	-	(379,083,783)
Total general capital assets being depreciated, net	285,693,896	(15,868,270)	-	7,477,431	277,303,057
General capital assets, net	$ 456,250,194	$ (1,685,650)	$ -	$ -	$ 454,564,544

	Balance September 30, 2019	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2020
Internal service funds					
assets being depreciated:					
Vehicles	$ 16,348,854	$ 1,645,363	$ (464,877)	$ -	$ 17,529,340
Machinery and equipment	5,808,405	-	(5,399)	-	5,803,006
Total internal service assets being depreciated	22,157,259	1,645,363	(470,276)	-	23,332,346
Less accumulated depreciation for:					
Vehicles	(8,937,477)	(1,913,274)	464,877	-	(10,385,874)
Machinery and equipment	(3,529,080)	(451,179)	5,399	-	(3,974,860)
Total accumulated depreciation	(12,466,557)	(2,364,453)	470,276	-	(14,360,734)
Total Internal service funds capital assets being depreciated, net	9,690,702	(719,090)	-	-	8,971,612
Total Internal service funds capital assets, net	9,690,702	(719,090)	-	-	8,971,612
Governmental activities capital assets, net	$ 465,940,896	$ (2,404,740)	$ -	$ -	$ 463,536,156

Business-Type Activities

	Balance September 30, 2019	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2020
Water and Sewer Activities:					
Capital assets not being depreciated:					
Land	$ 4,087,385	$ 4,241	$ -	$ -	$ 4,091,626
Construction in progress	8,428,355	2,743,758	-	(4,208,828)	6,963,285
Total capital assets not being depreciated	12,515,740	2,747,999	-	(4,208,828)	11,054,911
Capital Assets Being depreciated:					
Towers, tanks, & pumps stations	208,392,264	3,441,821	-	4,208,828	216,042,913
Machinery and equipment	3,566,331	109,359	(385,155)	-	3,290,535
Vehicles	835,663	28,405	-	-	864,068
Total capital assets being depreciated	212,794,258	3,579,585	(385,155)	4,208,828	220,197,516
Less accumulated depreciation for:					
Towers, tanks, & pumps stations	(99,522,719)	(5,682,445)			(105,205,164)
Machinery and equipment	(2,688,250)	(294,129)	385,155	-	(2,597,224)
Vehicles	(642,253)	(46,878)	-	-	(689,131)
Total accumulated depreciation	(102,853,222)	(6,023,452)	385,155	-	(108,491,519)
Total capital assets being depreciated, net	109,941,036	(2,443,867)	-	4,208,828	111,705,997
Water and sewer activities capital assets, net	$ 122,456,776	$ 304,132	$ -	$ -	$ 122,760,908

	Balance September 30, 2019	Additions	Dispositions	Balance September 30, 2020
Solid Waste Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 12,359	$ -	$ -	$ 12,359
Vehicles	140,440	-	-	140,440
Total capital assets being depreciated	152,799	-	-	152,799
Less accumulated depreciation for:				
Machinery and equipment	(11,735)	(624)	-	(12,359)
Vehicles	(49,154)	(14,044)	-	(63,198)
Total accumulated depreciation	(60,889)	(14,668)	-	(75,557)
Solid waste activities capital assets, net	$ 91,910	$ (14,668)	$ -	$ 77,242
Drainage Activities:				
Capital assets not being depreciated:				
Construction in progress	$ -	$ 734,414	$ -	$ 734,414
Total capital assets not being depreciated	-	734,414	-	734,414
Capital assets being depreciated:				
Other improvements	496,132	-	-	496,132
Vehicles	151,554	-	-	151,554
Machinery and equipment	573,537	25,425	-	598,962
Total capital assets being depreciated	1,221,223	25,425	-	1,246,648
Less accumulated depreciation for:				
Other improvements	(202,357)	(12,264)	-	(214,621)
Vehicles	(63,975)	(13,475)	-	(77,450)
Machinery and equipment	(413,614)	(35,438)	-	(449,052)
Total accumulated depreciation	(679,946)	(61,177)	-	(741,123)
Drainage activities capital assets, net	$ 541,277	$ 698,662	$ -	$ 1,239,939
Golf Course Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 1,448,781	$ 49,354	$ -	$ 1,498,135
Total capital assets being depreciated	1,448,781	49,354	-	1,498,135
Less accumulated depreciation for:				
Machinery and equipment	(909,341)	(162,430)	-	(1,071,771)
Total accumulated depreciation	(909,341)	(162,430)	-	(1,071,771)
Golf course activities capital assets, net	539,440	(113,076)	-	426,364
Business-type activities capital assets, net	$ 123,629,403	$ 875,050	$ -	$ 124,504,453

	Balance September 30, 2019	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2020
Economic Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 18,309,096	$ -	$ (194,052)	$ -	$ 18,115,044
Total capital assets not being depreciated	18,309,096	-	(194,052)	-	18,115,044
Capital assets being depreciated:					
Buildings	1,004,091	-	-	-	1,004,091
Total capital assets being depreciated	1,004,091	-	-	-	1,004,091
Less accumulated depreciation for:					
Buildings	(25,102)	(50,205)	-	-	(75,307)
Total accumulated depreciation	(25,102)	(50,205)	-	-	(75,307)
Total capital assets being depreciated, net	978,989	(50,205)	-	-	928,784
Economic Development Corporation capital assets, net	$ 19,288,085	$ (50,205)	$ (194,052)	$ -	$ 19,043,828
Community Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 2,239,201	$ -	$ -	$ -	$ 2,239,201
Construction in progress	3,818,707	985,486	-	(4,344,226)	459,967
Total capital assets not being depreciated	6,057,908	985,486	-	(4,344,226)	2,699,168
Capital assets being depreciated:					
Buildings	36,225,091	-	-	-	36,225,091
Machine & Equipment	2,926,235	114,231	(9,632)	-	3,030,834
Improvements other than buildings	33,863,285	-	-	4,344,226	38,207,511
Vehicles	874,339	-	-	-	874,339
Total capital assets being depreciated	73,888,950	114,231	(9,632)	4,344,226	78,337,775
Less accumulated depreciation for:					
Buildings	(8,857,570)	(912,819)	-	-	(9,770,389)
Machine & Equipment	(1,975,748)	(272,220)	9,632	-	(2,238,336)
Improvements other than buildings	(17,747,978)	(2,159,362)	-	-	(19,907,340)
Vehicles	(674,432)	(46,063)	-	-	(720,495)
Total accumulated depreciation	(29,255,728)	(3,390,464)	9,632	-	(32,636,560)
Total capital assets being depreciated, net	44,633,222	(3,276,233)	-	4,344,226	45,701,215
Community Development Corporation capital assets, net	50,691,130	(2,290,747)	-	-	48,400,383
Component units capital assets, net	$ 69,979,215	$ (2,340,952)	$ (194,052)	$ -	$ 67,444,211

Depreciation expense was charged as direct expense to programs of the primary government and component units as follows:

Governmental activities:		
General government	$	1,146,941
Public safety		947,099
Public works		16,259,356
Culture and recreation		2,938,125
Community development		17,632
Total depreciation expense - General capital assets		21,309,153
Internal Service Funds		2,364,453
Total depreciation expense - Governmental activities	$	23,673,606
Business-type activities:		
Water and sewer	$	6,023,452
Solid waste		14,668
Drainage utility		61,177
Golf course		162,430
Total depreciation expense - Business-type activities	$	6,261,727
Component units:		
Allen Economic Development Corporation	$	50,205
Allen Community Development Corporation		3,390,464
Total depreciation expense - Component units	$	3,440,669

Outstanding commitments at September 30, 2020, under authorized construction contracts totaled $2,847,669. These outstanding commitments for capital projects will be funded from unexpended bond proceeds and additional general obligation bonds.

Note 5. Long-term Debt

At September 30, 2020, bonds payable consisted of the following individual issues:

General Obligation Bonds:		
$1,595,000 Series 2006 Bonds due in annual installments of $50,000 to $115,000 through August 15, 2026; interest at 4.0% to 4.2%.	$	620,000
$8,840,000 Series 2011 Refunding and Improvement Bonds due in annual installments of $255,000 to $795,000 through August 15, 2030; interest at 2.0% to 4.25%.		3,265,000
$13,865,000 Series 2012 Refunding and Improvement Bonds due in annual installments of $350,000 to $1,600,000 through August 15, 2024; interest at 2.0% to 5.0%.		5,730,000
$5,065,000 Series 2013 Bonds due in annual installments of $190,000 to $340,000 through August 15, 2032; interest at 2.0% to 3.5%.		3,480,000
$10,595,000 Series 2014 Bonds due in annual installments of $375,000 to $740,000 through August 15, 2033; interest at 2.0% to 4.0%.		7,875,000

General Obligation Bonds – continued

$32,245,000 Series 2015 Refunding and Improvement Bonds due in annual installments of $160,000 to $3,605,000 through August 15, 2034; interest at 2.0% to 5.0%.	$	15,005,000
$6,910,000 Series 2016 Refunding Bonds due in annual installments of $775,000 to $1,000,000 through August 15, 2028; interest at 2.0% to 4.0%.		5,910,000
$11,845,000 Series 2017 Bonds due in annual installments of $645,000 to $1,130,000 through August 15, 2032; interest at 2.25% to 5.0%.		9,415,000
$8,355,000 Series 2018 Bonds due in annual installments of $400,000 to $725,000 through August 15, 2033; interest at 2.0% to 5.0%.		7,245,000
$8,630,000 Series 2019 Refunding and Improvement Bonds due in annual installments of $370,000 to $2,165,000 through August 15, 2034; interest at 2.5% to 4.0%.		6,465,000
$23,385,000 Series 2020 Refunding and Improvement Bonds due in annual installments of $1,020,000 to $3,355,000 through August 15, 2035; interest at 2.0% to 4.0%.		23,385,000
Unamortized premium on general obligation bonds.		10,585,840
	$	98,980,840

Tax Notes:

$2,600,000 Series 2019 Tax Notes due in annual installments of $855,000 to $880,000 through August 15, 2022; interest at the rate of 1.75%.	$	1,745,000
$3,175,000 Series 2020 Tax Notes due in annual installments of $475,000 to $580,000 through August 15, 2026; interest at the rate of 4%.		3,175,000
	$	4,920,000

Water and Sewer Revenue Bonds:		
$3,370,000 Series 2013 Refunding Bonds due in installments of $90,000 to $385,000 through June 1, 2025; with interest at the rate of 2.0% to 3.0%.	$	1,725,000
$1,280,000 Series 2014 Refunding Bonds due in installments of $105,000 to $265,000 through June 1, 2024; with interest at the rate of 2.1%.		470,000
$9,330,000 Series 2018 Bonds due in installments of $290,000 to $670,000 through June 1, 2038; with interest at the rate of 2.0% to 5.0%.		8,690,000
$3,845,000 Series 2019 Bonds due in installments of $150,000 to $265,000 through June 1, 2039; with interest at the rate of 2.0% to 4.0%.		3,685,000
$4,880,000 Series 2020 Bonds due in installments of $175,000 to $360,000 through June 1, 2040; with interest at the rate of 2.0% to 5.0%.		4,880,000
Unamortized premium on water and sewer revenue bonds.		2,070,599
	$	21,520,599
AEDC Sales Tax Revenue Bonds:		
$11,810,000 Series 2017A Refunding Bonds due in annual installments of $880,000 to $1,335,000 through September 1, 2027; interest at 2.0% to 5.0%.	$	8,115,000
$2.110,000 Series 2020 Sales Tax Revenue Bonds due in annual installments of $200,000 to $225,000 through September 1, 2030; interest at .75% to 2.0%.		2,110,000
Unamortized premium on AEDC sales tax revenue bonds.		860,330
	$	11,085,330
AEDC Promissory Note:		
$4,400,000 Promissory Note due in annual installments of $679,853 through June 11, 2022; interest at 2.00%.	$	1,319,975
	$	1,319,975
ACDC Sales Tax Revenue Bonds:		
$31,235,000 Series 2016 Refunding Bonds due in annual installments of $1,715,000 to $3,825,000 through September 1, 2025; interest at 0.750% to 2.353%.	$	24,315,000
	$	24,315,000

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2020:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	$ 83,815,000	$ 23,385,000	$ (18,805,000)	$ 88,395,000	$ 9,545,000
Tax notes	2,600,000	3,175,000	(855,000)	4,920,000	1,340,000
Capital lease payable	75,991	-	(29,986)	46,005	33,490
Premiums (discounts)	7,651,739	4,034,604	(1,100,503)	10,585,840	1,245,319
Compensated absences	7,036,500	5,086,741	(4,269,011)	7,854,230	4,787,059
Net OPEB liability	1,310,379	249,303	-	1,559,682	-
Net pension liability	34,032,752	-	(11,641,193)	22,391,559	-
Governmental activity long-term debt	$ 136,522,361	$ 35,930,648	$ (36,700,693)	$ 135,752,316	$ 16,950,868

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Business-Type Activities					
Water and sewer revenue bonds	$ 15,535,000	$ 4,880,000	$ (965,000)	$ 19,450,000	$ 1,170,000
Capital lease payable	569,182	-	(146,027)	423,155	144,278
Premiums (discounts)	1,102,388	1,117,262	(149,051)	2,070,599	134,800
Net pension liability	4,189,807	-	(1,427,030)	2,762,777	-
Net OPEB liability	159,601	30,561	-	190,162	-
Compensated absences	746,994	512,916	(472,690)	787,220	518,464
Business-type activity long-term debt	$ 22,302,972	$ 6,540,739	$ (3,159,798)	$ 25,683,913	$ 1,967,542
Component Units					
Allen Community Development Corporation					
Sales tax revenue bonds	$ 26,070,000	$ -	$ (1,755,000)	$ 24,315,000	$ 1,785,000
ACDC long-term debt	$ 27,805,000	$ -	$ (1,755,000)	$ 24,315,000	$ 1,785,000
Allen Economic Development Corporation					
Sales tax revenue bonds	$ 10,645,000	$ 2,110,000	$ (2,530,000)	$ 10,225,000	$ 1,205,000
Note payable	1,960,616	-	(640,641)	1,319,975	653,453
Premiums (discounts)	992,689	-	(132,359)	860,330	132,358
AEDC long-term debt	$ 13,598,305	$ 2,110,000	$ (3,303,000)	$ 12,405,305	$ 1,990,811
Component units long-term debt	$ 41,403,305	$ 2,110,000	$ (5,058,000)	$ 36,720,305	$ 3,775,811

Bond Issuances

On June 30, 2020, the City issued *City of Allen, Texas General Obligation Improvement and Refunding Bonds, Series 2020*, in the amount of $23,385,000, to make improvements to existing City facilities, streets, drainage, park and recreational facilities, public art projects, and public safety facilities; and to refund all future debt service payments of $8,963,400 related to the *City of Allen, Texas General Obligation Refunding Bonds, Series 2010A and General Obligation Bonds, Series 2010*. Total bond proceeds in the amount of $27,022,165 and includes a premium of $3,637,165 and City contribution of $157,919. Expenses incurred to deliver the Series 2020 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to $275,989. The Series 2020 bonds incur an average cost over the life of the debt at a rate of 2.00%-4.00% and mature annually, with semi-annual interest payments. The City deposited $8,759,155 with an escrow agent in order to redeem the outstanding balances of the refunded debt.

The reacquisition price exceeded the net carrying amount of the old debt by $2,566. This amount is being netted against the new debt and amortized over the remaining life of the refunding Series 2010 and Series

2010A bonds. The City refunded the series 2010 and 2010A bonds to reduce its total debt service payments over ten years by $1,129,631 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,073,513.

On June 30, 2020, the City issued *City of Allen, Texas Tax Notes Series 2020*, in the amount of $3,175,000, plus a premium of $397,439, to make improvements to existing City facilities, streets, drainage, park and recreational facilities, public art projects, and public safety facilities.

On June 30, 2020, the City issued *City of Allen, Texas Waterworks and Sewer System Revenue Bonds, Series 2020*, in the amount of $4,880,000, plus a premium of $1,117,262, to make improvements to the existing water and sewer systems of the City. The bonds incur an average cost over the life of the bonds at a rate of 2.00-5.00% and mature annually with semi-annual interest payments. The bonds will fully mature in 2040.

On June 30, 2020, the Allen Economic Development Corporation issued*, Sales Tax Revenue Bonds, Series 2020*, in the amount of $2,110,000 to purchase real property for economic development purposes, make a deposit to the reserve fund and to pay the costs associated with the issuance of the bonds. The bonds incur an average cost over the life of the bonds at a rate of .75-2.0% and mature annually with semi-annual interest payments. The bonds will fully mature in 2030.

Annual Requirements to Retire Debt Obligations

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 2020, are on the following pages.

General Obligation Bonds

Annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 9,545,000	$ 3,442,389	$ 12,987,389
2022	8,695,000	3,036,081	11,731,081
2023	7,995,000	2,741,736	10,736,736
2024	7,775,000	2,429,258	10,204,258
2025	6,865,000	2,142,186	9,007,186
2026-2030	30,795,000	6,734,861	37,529,861
2031-2035	16,725,000	1,572,670	18,297,670
Total	$ 88,395,000	$ 22,099,181	$ 110,494,181

Tax Notes

Annual debt service requirements to maturity for the Tax Notes, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 1,340,000	$ 163,182	$ 1,503,182
2022	1,380,000	123,400	1,503,400
2023	520,000	88,000	608,000
2024	540,000	67,200	607,200
2025	560,000	45,600	605,600
2026	580,000	23,200	603,200
Total	$ 4,920,000	$ 510,582	$ 5,430,582

Waterworks and Sewer System Revenue Bonds

Revenue bonds debt service requirements to maturity, including interest, are as follows:

	Business-type Activities		
Fiscal Year Ending September 30	Principal	Interest	Total
2021	$ 1,170,000	$ 704,030	$ 1,874,030
2022	1,150,000	708,769	1,858,769
2023	1,175,000	678,566	1,853,566
2024	1,225,000	649,508	1,874,508
2025	995,000	617,300	1,612,300
2026-2030	4,090,000	2,659,750	6,749,750
2031-2035	5,075,000	1,666,300	6,741,300
2036-2040	4,570,000	5,123,000	9,693,000
Total	$ 19,450,000	$ 12,807,223	$ 32,257,223

AEDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 1,205,000	$ 428,013	$ 1,633,013
2022	1,245,000	383,675	1,628,675
2023	1,305,000	329,725	1,634,725
2024	1,355,000	272,675	1,627,675
2025	1,420,000	212,817	1,632,817
2026-2027	3,695,000	258,345	3,953,345
Total	$ 10,225,000	$ 1,885,250	$ 12,110,250

ACDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows

	ACDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 1,785,000	$ 626,866	$ 2,411,866
2022	1,815,000	595,735	2,410,735
2023	1,850,000	560,560	2,410,560
2024	1,890,000	521,192	2,411,192
2025	1,935,000	476,721	2,411,721
2026-2030	10,440,000	1,622,910	12,062,910
2031-2032	4,600,000	217,783	4,817,783
Total	$ 24,315,000	$ 4,621,767	$ 28,936,767

AEDC Note Payable

The note payable debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2021	653,453	26,400	679,853
2022	666,522	13,330	679,852
Total	$ 1,319,975	$ 39,730	$ 1,359,705

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2020, is as follows:

Purpose	Date of Authorization	Original Amount Authorized	Issued in Prior Fiscal Years	Issued in 2020	Unissued Balance
Service Center Facilities	5/12/2007	$ 14,500,000	$ 12,500,000	$ 600,000	$ 1,400,000
Library	5/7/2016	16,045,000	831,000	-	15,214,000
Streets and Drainage	5/7/2016	23,890,000	12,169,000	2,177,000	9,544,000
Parks	5/7/2016	27,000,000	2,000,000	15,000,000	10,000,000
Public Art Projects	5/7/2016	1,770,000	500,000	367,940	902,060
Public Safety	5/7/2016	24,445,000	13,000,000	-	11,445,000
		$ 107,650,000	$ 41,000,000	$ 18,144,940	$ 48,505,060

Waterworks and Sewer System Revenue Bonds

Waterworks and Sewer System Revenue Bonds are used to finance the acquisition of major capital improvements for the City's water and sewer system and related facilities. Water and Sewer Revenue Bonds and Refunding Bonds are payable solely from and, equally secured by, a first lien on and pledge of the net revenue of the City's combined waterworks and sanitary sewer systems.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Funds aggregating $513,520 at September 30, 2020, are restricted within the Water and Sewer Enterprise Fund for servicing of the debt. The respective bond indentures require the City to make equal monthly payments to the restricted accounts to accumulate the annual principal and interest requirements as they become due.

The ordinances authorizing the Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds whenever enough funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. Such reserves are funded up to the required level in equal monthly installments over a maximum five-year period, as defined in the indentures. Amounts in the reserve fund at September 30, 2020, of $1,895,659 are adequate to meet the reserve requirements.

At September 30, 2020, restricted assets, which include amounts in the Water and Sewer Revenue Bond Debt Service and the Revenue Bond Reserve Fund, were as follows:

Revenue bond reserve fund	$	1,388,780
Revenue bond debt service		506,879
	$	1,895,659

Net position reserved for Water and Sewer revenue bond retirement is detailed as follows:

Restricted assets, revenue bond debt		
Service and reserve funds	$	1,895,659
Accrued interest, payable from restricted assets		(212,139)
Current maturities of revenue bonds,		
payable from restricted assets		(1,170,000)
Reserved for water and sewer revenue bonds principal and interest	$	513,520

The City complies with the various requirements of the bond ordinances.

Capital Leases

The City has acquired office equipment, a building, and land under various leases accounted for as capital leases. As of September 30, 2020, the capitalized costs of the governmental leased property and business-type leased property under capital leases were $1,809,530 and $1,429,490, respectively.

The terms of the leases range from 3 - 5 years and call for monthly and annual payments over the life of the leases. The future minimum lease payments under the capitalized leases and the net present value of the future minimum lease payments at September 30, 2020, are as follows:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2021	$ 33,490	$ 1,004	$ 34,494	$ 144,278	$ 13,334	$ 157,612
2022	12,515	267	12,782	149,752	7,859	157,611
2023	-	-	-	129,125	2,218	131,343
Total	$ 46,005	$ 1,271	$ 47,276	$ 423,155	$ 23,411	$ 446,566

Operating Leases

The City leases machinery and equipment under non-cancelable operating leases. Total cost for such leases was $694,674 for the fiscal year ended September 30, 2020. Future minimum lease payments, by year and in the aggregate, under the non-cancelable lease commitments are as follows:

Fiscal Year Ending September 30,	Amount
2021	$ 513,981
2022	415,152
2023	377,283
2024	153,011
Total	$ 1,459,427

Note 6. Interfund Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund operating transfers for fiscal year ended September 30, 2020, were as follows:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 5,327,680	$ 3,729,369
General Capital Projects	2,061,121	470,218
General Obligation Bonds	-	257,090
Total Major Governmental Funds	7,388,801	4,456,677
Nonmajor Governmental Funds:		
Special Revenue	-	94,140
Hotel Occupancy Tax	-	3,540
Total Nonmajor Governmental Funds	-	97,680
Major Enterprise Funds:		
Water and Sewer Fund	972,845	5,014,008
Solid Waste Fund	-	575,922
Drainage Utility Fund	-	397,221
Golf Course Fund	411,152	-
Total Major Enterprise Funds	1,383,997	5,987,151
Internal Service Funds:		
Replacement Fund	900,000	-
Facility Maintenance Fund	537,710	-
Risk Management Fund	331,000	-
Total Internal Service Funds	1,768,710	-
Total Transfers	$ 10,541,508	$ 10,541,508

Transfers are used to 1) move amounts from funds receiving administrative and operating support to the appropriate fund incurring the administrative and operating costs and 2) to move unrestricted funds to finance various programs that the City must account for in other funds in accordance with budgetary

authorizations, including amounts provided as subsidies or matching funds for various grant programs and to support cash financing of capital projects.

The fund financial statements show:

- Governmental funds: Total transfers in of $7,388,801 into the governmental funds were made to fund capital projects, provide funds for grant-matching expenditures, and provide funding for technology, procurement, human resources, building maintenance, financial, and administrative support. Transfers out totaling $4,554,357 includes cash financing for capital projects, operational support for the Golf Course Fund, and support to programs recorded in non-major governmental and internal service funds.

- Proprietary funds: Total transfers in of $1,383,997 into the enterprise funds mainly represents amounts transferred into the Golf Course and Water and Sewer to support operations. The total transfers out of $5,987,151 represents the amount provided by other funds for technology, procurement, human resources, building maintenance, financial and administrative support. The internal service funds total transfer in of $1,768,710 represents the amounts needed for repairs of aging facility infrastructure.

Note 7. Retirement Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

Beginning in 1993, the City granted an annually repeating (automatic) basis a monetary credit referred to as an Updated Service Credit (USC), which is a theoretical amount that considers salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City also participates in Social Security.

Employees Covered by Benefit Terms:

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to, but not yet receiving benefits	491
Active employees	774
Total	1,511

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The actuarially determined contribution rates for retirement benefits for the City were 13.99%, 14.03% and 14.00% in calendar years 2018, 2019, and 2020, respectively. The City's contributions to TMRS for the years ended September 30, 2018, 2019, and 2020, were $6,927,485, $7,736,900 and $7,890,278, respectively, which were in excess of the required annual contribution for each year.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	$ 213,241,510	$ 175,018,951	$ 38,222,559
Changes for the year:			
Service cost	9,118,332	-	9,118,332
Interest	14,492,431	-	14,492,431
Difference between expected and actual experience	1,564,808	-	1,564,808
Change in assumptions	409,038		409,038
Contributions - employer	-	8,050,585	(8,050,585)
Contributions - employee	-	3,661,981	(3,661,981)
Net investment income	-	27,097,746	(27,097,746)
Benefit payments, including refunds of employee contributions	(6,195,996)	(6,195,996)	-
Administrative expense	-	(152,888)	152,888
Other changes	-	(4,592)	4,592
Net changes	19,388,613	32,456,836	(13,068,223)
Balance at 12/31/2019	$ 232,630,123	$ 207,475,787	$ 25,154,336

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 62,935,165	$ 25,154,336	$ (5,455,899)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense in the amount of $8,794,384. At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,063,023	$ (410)
Changes in actuarial assumptions	324,699	(28,130)
Difference between projected and actual investment earnings	-	(6,233,228)
Contributions subsequent to the measurement date	5,549,757	-
Total	$ 7,937,479	$ (6,261,768)

Deferred outflows of resources in the amount of $5,549,757 related to pensions that resulted from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement year ending December 31:	
2020	$ (953,158)
2021	(1,028,605)
2022	818,588
2023	(2,710,871)
Total	$ (3,874,046)

Note 8. Water and Sewer Contracts

In 1972, the City entered a forty-year contract with the North Texas Municipal Water District (District) for the purchase of water. Under the terms of this contract, the City is obligated to make a minimum annual payment (adjusted annually) in return for a minimum volume of gallons of water per year. During 1998, the City was annexed into the North Texas Municipal Water District, which guaranteed the City a minimum volume of water. For the year ended September 30, 2020, the cost of water purchased under this contract was $17,931,152.

In 1978, the City entered a contract with the District for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During fiscal year 2020, the cost for transportation, treatment and disposal of sewage and other wastes was $11,057,917.

Note 9. Deferred Compensation Plan

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject only to the claims of the City's general creditors. As a result, at September 30, 2020, the deferred compensation investments are not reported in the City's financial statements.

Note 10. Risk Management

Health and Dental Insurance

The City provides health and dental insurance benefits to City employees under a modified self-insurance plan. Under the plan, the City and the employee pay a portion of a predetermined monthly premium, which is based on the estimated claims cost for the plan and the extent of medical coverage selected by the employee. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

A commercial insurance carrier is utilized to adjudicate and pay medical claims on behalf of the City. The City's medical claims liability is limited by a stop loss insurance policy that covers individuals' medical claims in excess of $125,000 per plan year. Aggregate stop loss coverage of $2,000,000 per plan year provides protection to limit claim liability for the plan as a whole. The liabilities for insurance claims reported are based on GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

These liabilities include an estimate for incurred but not reported claims. The estimated amount at September 30, 2020, was $1,053,311. Changes in the Risk Management liability during the past five fiscal years were as follows:

Year Ending September 30,	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2016	$ 983,434	$ 8,076,640	$ 7,986,738	$ 1,073,336
2017	1,073,336	8,599,895	8,512,397	1,160,834
2018	1,160,834	7,857,200	7,953,825	1,064,209
2019	1,064,209	8,909,032	8,771,234	1,202,007
2020	1,202,007	8,285,276	8,433,972	1,053,311

Workers Compensation & Property and Liability Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. As claims arise they are submitted to and paid by TMLIRP. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

The City has a workers' compensation deductible of $25,000 per occurrence, with an annual aggregate deductible of $380,996. During fiscal 2020, the City contributed $1,165,013 to the Risk Management Fund for workers' compensation.

The City has various levels of insurance deductibles for property, liability, and automobile insurance with the maximum deductible set at $10,000. All insured claims are paid by TMLIRP, less the appropriate deductible. During fiscal 2020, the City contributed $905,814 for property and general liability.

Note 11. Postemployment Benefits Other Than Pensions (OPEB)

City of Allen Retiree Healthcare Plan:

Plan Description and Benefits Provided

In addition to the pension benefits described in Note 7, and as required by state law, the City provides post-retirement health care benefits for all permanent full-time employees through a single employer defined benefit medical plan. To be eligible under the plan, a participant must either attain age sixty (60) and at least five (5) years of TMRS service or be any age with twenty (20) or more years of service. Retirees must make a one-time irrevocable decision to continue benefits at the time of retirement, after which their eligibility for this benefit ends. The retiree benefit consists of medical, dental and vision care until age 65.

Employees who retired on or before December 31, 2012, were "grandfathered" in and allowed to pay the same blended medical premium rates as COBRA participants, which are the total cost of premiums (no City subsidy) plus 2% administration fees. The retirees are also subject to the same rate increases as COBRA participants. Employees who retire on or after January 1, 2013, can elect health care coverage but will be required to pay the (higher) unblended rate. Current OPEB benefits are made on a pay-as-you-go basis from the Risk Management Fund. During fiscal year ended September 30, 2020, retirees paid $63,654 in the form of premiums and incurred $130,700 in plan expenses.

Employees Covered by Benefit Terms

Membership in the defined benefit medical plan consisted of the following at the measurement date of September 30, 2020:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	723
Total members	731

City of Allen Retiree Healthcare Plan

Funding Policy

Due to the significant increase in retiree premium costs, the City elected to create a separate Other Postemployment Defined Benefit Medical Plan for retirees, effective January 1, 2013. The single employer defined benefit plan is created by City ordinance and appoints the City Manager as Plan Administrator for the program. The trust was established with Public Agency Retirement Services Company (PARS) and is used to accumulate resources to fund future benefits. However, it does not represent the activities of the plan. Related medical costs are incurred in and paid from the City's Risk Management Fund. The plan benefit provisions and obligations to contribute are established by City Council action and are actuarially determined.

Net OPEB Liability (Asset)

Actuarial Methods and Assumptions - The City's net OPEB liability (asset) was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2020, total OPEB liability based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	October 1, 2019
Measurement Date	September 30, 2020
Discount Rate	4.00%
Inflation	2.25% per annum
Payroll Growth Rate	3.00% per annum, including inflation
Mortality, Non-Annuitants	Sex distinct RP 2014h mortality table, with mortality improvement scale MP-2018.
Mortality, Annuitants	Sex distinct RP 2014h mortality table, with mortality improvement scale MP-2018.
Medical & Pharmacy Healthcare Trend	- Medical – 11.87% initial, decreasing to an ultimate rate of 4.60% in 2041 and later years. - Dental - 3.0%
Participation Rate	20% of participants eligible for medical or dental benefits upon retirement are assumed to elect coverage.
Investment Rate of Return	4.00%, net of OPEB plan investment expenses

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	20.0%	5.55%
Fixed Income	65.0%	2.16%
Private Equity	2.5%	7.80%
Real Estate	2.5%	5.90%
Cash	10.0%	1.10%
Total	100.0%	

Discount Rate - The current valuation is based upon last year's valuation results projected forward to the new Measurement Date of September 30, 2020, reflecting a change in the expected return on assets and from 5.00% as of September 30, 2019 to 4.00% as of September 30, 2020. The reduction of 100 basis points is attributable to a change in the investment policy to hold a more conservative set of investment instruments. Actual Assets were used at the measurement date of September 30, 2020.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at 09/30/2019	$ 767,888	$ 1,575,650	$ (807,762)
Changes for the year:			
Interest	29,520	-	29,520
Difference between expected and actual experience	(5,299)	-	(5,299)
Changes of assumptions	(120,997)	-	(120,997)
Net investment income	-	99,920	(99,920)
Benefit payments	(49,154)	(212,086)	162,932
Administrative expense	-	(9,065)	9,065
Net changes	(145,930)	(121,231)	(24,699)
Balance at 09/30/2020	$ 621,958	$ 1,454,419	$ (832,461)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 4.00%:

	1% Decrease in Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
City's net OPEB (Asset)	$ (787,118)	$ (832,461)	$ (826,827)

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate (10.87%)	Healthcare Cost Trend Rate (11.87%)	1% Increase in Trend Rate (12.87%)
City's net OPEB (Asset)	$ (858,782)	$ (832,461)	$ (778,783)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the collective OPEB expense of the City of Allen Retiree Healthcare Plan was a credit of $50,793. At September 30, 2020, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (65,844)
Changes in actuarial assumptions	22,445	(127,831)
Difference between projected and actual investment earnings	-	(30,264)
Total	$ 22,445	$ (223,939)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows.

Measurement year ending September 30,	Annual Amortization
2021	$ (32,269)
2022	(32,271)
2023	(30,343)
2024	(32,957)
2025	(24,394)
Thereafter	(49,260)
Total	$ (201,494)

Supplemental Death Benefits Plan:

Program Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan administered by Texas Municipal Retirement System (TMRS), which is known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to an employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). Retired employees are each insured for $7,500, and this coverage is reported as an "other postemployment benefit" or (OPEB). As the SDBF covers both active and retired participants, with no segregation of assets, the SDBF is considered as an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for financial reporting.

Contributions and Funding Policy

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is to not pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.01% for calendar years 2019, 2018, and 2017. The City's contributions to the TMRS SDBF for retirees for the years ended September 30, 2020, 2019, and 2018 were $80,960, $77,344, and $66,896, respectively, which were equal to the actuarially determined contribution (ADC) for each year.

Summary of Actuarial Assumptions and Other Inputs Used

Inflation	2.5 %
Salary Increases	3.5% to 10.5%, including inflation.
Discount Rate	2.75% (The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019)
Retirees' share of benefit-related costs	$0.00
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: The actuarial assumptions used in the December 31, 2019, valuation was based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

Employees Covered by Benefit Terms*

At December 31, 2019, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	177
Inactive employees entitled to, but not yet receiving benefits	101
Active employees	774
Total	1,052

Changes in total OPEB Liability

Total OPEB Liability – beginning of year	$ 1,469,980
Changes for the year:	
Service Cost	94,165
Interest on Total OPEB Liability	56,186
Differences between expected and actual experience	(183,037)
Changes in assumptions or other inputs	317,781
Benefit payments	(5,231)
Net Change	279,864
Total OPEB Liability - end of year	$ 1,749,844

The City's total OPEB liability of $1,749,844 was measured at December 31, 2019, and determined by an actuarial valuation as of that date. Accordingly, no roll-forward is required.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current discount rate:

	1.0% Decrease in Discount Rate (1.75%)	Current Discount Rate (2.75%)	1.0% Increase in Discount Rate (3.75%)
Total OPEB Liability	$ 2,167,519	$ 1,749,844	$ 1,429,913

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $185,606. OPEB expense recognized is as follows

Components of OPEB Expense:	
Service Cost	$ 94,165
Interest on Total OPEB Liability	56,186
Differences between expected and actual experience	(12,014)
Change in assumptions or other input	47,269
Total OPEB Expense	$ 185,606

At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made subsequent to measurement date	$ 3,907	$ -
Differences between expected and actual experience	72,710	(156,625)
Changes in assumptions or other inputs	341,591	(79,734)
Total	$ 418,208	$ (236,359)

Deferred outflows of resources in the amount of $3,907 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2020, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending September 30,	Net deferred outflows/ (inflows) of resources
2021	$ 35,255
2022	35,255
2023	35,255
2024	35,255
2025	18,910
Thereafter	18,012
Total	$ 177,942

Note 12. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales taxes and include incentive payments and rebates of fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients of assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions that may require repayment or termination if recipients do not meet the required provisions of the economic incentives. The following are the three categories of economic development agreements City has contracted:

General Economic Development -The City, Allen Economic Development Corporation, and Allen Community Development Corporation enter into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received, may result in fee reductions or rebates, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. During fiscal year 2020, the City rebated $4,633,274 in taxes and rebated fees of $194,357 under these agreements.

Additionally, for fiscal year 2020, the Allen Economic Development Corporation rebated taxes in the amount of $221,651 and made incentive payments of $11,304,801, while the Allen Community Development Corporation rebated taxes in the amount of $221,651 and made incentive payments of $2,500,000. The Allen Economic Development Corporation also sold land for economic development during fiscal year 2020.

Tax Abatements -Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $265,638 for the fiscal year ended September 30, 2020.

Tax Increment Financing -The City has adopted two Tax Increment Financing (TIF) zones under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements that earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. Additionally, the City may enter into general economic development agreements, under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made $895,235 in payments for TIF obligations during fiscal year 2020.

Note 13. Commitments and Contingent Liabilities

Federal Grants -The City participates in several State and Federal assisted grant programs. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Economic Development Grant -The City has several economic development agreements whereby the City has agreed to pay a grant(s) to a developer and/or business in return for the design, construction, operating, and/or managing of the business within the City of Allen. All grants are performance based and do not constitute liabilities on the City's financial records.

Note 14. Coronavirus Pandemic

In March 2020, the World Health Organization declared the novel coronavirus ('COVID-19') a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the City's operations and financial results at this time.

CITY OF ALLEN

Required Supplementary Information

City of Allen, Texas **Exhibit A-1**

Schedule of Changes in Total OPEB Liability and Related Ratios -
Supplemental Death Benefits Fund
Last Three Measurement Years

	2019*	2018*	2017*
Total OPEB liability:			
Service cost	$ 94,165	$ 97,628	$ 83,658
Interest (on the total pension liability)	56,186	45,926	42,992
Changes in benefit terms		-	-
Difference in expected and actual experience	(183,037)	101,506	-
Change in assumptions or other inputs	317,781	(111,311)	121,271
Benefit payments **	(5,231)	(4,881)	(4,648)
Net change in total OPEB liability	279,864	128,868	243,273
Total OPEB liability, beginning of year	1,469,980	1,341,112	1,097,839
Total OPEB liability, end of year	$ 1,749,844	$ 1,469,980	$ 1,341,112
Covered payroll	$ 52,314,010	$ 48,814,159	$ 46,476,391
Total OPEB liability as a percentage of covered payroll	3.34%	3.01%	2.89%

Notes to Schedule:

* GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be displayed as it becomes available.

** Due to the SDBP being considered an unfunded plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

City of Allen, Texas **Exhibit A-2**

Schedule of OPEB Contributions -
Supplemental Death Benefits Fund
Last Three Fiscal Years

	Fiscal Year Ended September 30,		
	2020*	2019*	2018*
Actuarially determined contributions	$ 5,394	$ 5,156	$ 4,778
Contributions in relation to actuarially determined contribution	5,394	5,156	4,778
Contributions deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 53,937,361	$ 51,562,996	$ 47,782,955
Contributions as a percentage of covered payroll	0.01%	0.01%	0.01%

Notes to Schedule of OPEB Contributions

GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

GASB 75, paragraph 57, requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Allen, Texas **Exhibit A-3**

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios -
Defined Benefit Retiree Healthcare Plan
Last Three Measurement Years

	Measurement Year Ended September 30,		
	2020*	2019*	2018*
Total OPEB liability			
Service cost	$ -	$ -	$ -
Interest (on the total OPEB liability)	29,520	38,887	41,469
Changes in benefit terms	-	-	-
Difference in expected and actual experience	(5,299)	-	(91,701)
Change in assumptions	(120,997)	28,859	(30,415)
Benefit payments	(49,154)	(155,176)	29,767
Net change in total OPEB liability	(145,930)	(87,430)	(50,880)
Total OPEB liability, beginning of year	767,888	855,318	906,198
Total OPEB liability, end of year (a)	$ 621,958	$ 767,888	$ 855,318
Plan fiduciary net position:			
Contributions -employer	$ -	$ -	$ -
Contributions -employee	-	-	-
Net investment income	99,920	66,177	94,484
Benefit payments	(212,086)	(142,438)	(252,781)
Administrative expense	(9,065)	(8,119)	(10,442)
Net change in plan fiduciary net position	(121,231)	(84,380)	(168,739)
Plan fiduciary net position - beginning	1,575,650	1,660,030	1,828,769
Plan fiduciary net position - ending (b)	$ 1,454,419	$ 1,575,650	$ 1,660,030
Plan Net OPEB liability (asset) - ending (a) - (b)	$ (832,461)	$ (807,762)	$ (804,712)
Plan fiduciary net position as a % of total OPEB liability	233.85%	205.19%	194.08%
Covered payroll	$ 53,973,541	$ 47,857,137	$ 41,451,256
Net OPEB liability (asset) as a % of covered payroll	-1.54%	-1.69%	-1.94%

Notes to Schedule:

Benefit changes. There have been no material benefit changes during the valuation periods shown above.

Changes in assumptions . For fiscal year 2020, the mortality assumption was changed to the new Society of Actuaries PUB-2010 tables, which are based exclusively on public plan mortality experience. Specifically, the sex distinct headcount weighted set of tables in conjunction with the MP-2019 generational mortality improvement scale were used for the FYE 2020 liability calculation.

***** GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be displayed as it becomes available.

City of Allen, Texas **Exhibit A-4**

Schedule of OPEB Contributions -
Defined Benefit Retiree Healthcare Plan
Last Three Fiscal Years

	Fiscal Year Ended September 30,		
	2020*	2019*	2018*
Actuarially determined contributions	$ -	$ -	$ -
Contributions in relation to actuarially determined contribution	-	-	-
Contributions deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 53,973,541	$ 47,857,137	$ 41,451,256
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

* GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule of OPEB Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2019.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	N/A
Asset Valuation Method	Market value of assets
Inflation	2.5% per annum
Healthcare cost trend rates	11.87% initial, decreasing to an ultimate rate of 4.60% in the year 2041
Investment Rate of Return	4.0%, net of OPEB plan investment expense
Retirement Age	Rates are the same as those used for the TMRS retirement plan
Mortality	Sex distinct headcount weighted PUB-2010 general safety employees mortality tables and general retirees table in conjunction with martality improvement scale MP-2019

Other information:

Changes in assumptions . For fiscal year 2020, the mortality assumption was changed to the new Society of Actuaries PUB-2010 tables, which are based exclusively on public plan mortality experience. Specifically, the sex distinct headcount weighted set of tables in conjunction with the MP-2019 generational mortality

City of Allen, Texas **Exhibit A-5**

Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan (TMRS)
Last Six Measurement Years

	Measurement Year Ended September 30,					
	2014*	2015*	2016*	2017*	2018*	2019*
Total pension liability:						
Service cost	$ 6,407,942	$ 7,377,440	$ 7,740,829	$ 8,091,540	$ 8,503,427	$ 9,118,332
Interest (on the total pension liability)	9,749,386	10,562,818	11,165,087	12,232,446	13,379,960	14,492,431
Changes in benefit terms, including substantively automatic status	-	-	-	-	-	-
Difference in expected and actual experience	(1,791,341)	196,259	894,580	1,293,282	(680)	1,564,808
Change in assumptions	-	(231,950)	-	-	-	409,038
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)
Net change in total pension liability	11,152,869	14,657,132	15,898,007	17,193,500	16,660,477	19,388,613
Total pension liability, beginning of year	137,679,525	148,832,394	163,489,526	179,387,533	196,581,033	213,241,510
Total pension liability, end of year	$ 148,832,394	$ 163,489,526	$ 179,387,533	$ 196,581,033	$ 213,241,510	$ 232,630,123
Plan fiduciary net position:						
Contributions -employer	$ 5,455,902	$ 6,063,051	$ 6,473,617	$ 7,130,557	$ 7,423,200	$ 8,050,585
Contributions -employee	2,754,779	3,021,766	3,129,050	3,274,594	3,423,774	3,661,981
Net investment income	6,648,346	188,559	9,039,319	20,569,321	(5,239,779)	27,097,746
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)
Administrative expense	(69,397)	(114,830)	(102,024)	(106,520)	(101,162)	(152,888)
Other	(5,706)	(5,671)	(5,497)	(5,400)	(5,285)	(4,592)
Net change in plan fiduciary net position	11,570,806	5,905,440	14,631,976	26,438,784	278,518	32,456,836
Plan fiduciary net position - beginning	116,193,427	127,764,233	133,669,673	148,301,649	174,740,433	175,018,951
Plan fiduciary net position - ending	$ 127,764,233	$ 133,669,673	$ 148,301,649	$ 174,740,433	$ 175,018,951	$ 207,475,787
Net pension liability - ending	$ 21,068,161	$ 29,819,853	$ 31,085,884	$ 21,840,600	$ 38,222,559	$ 25,154,336
Plan fiduciary net position as a % of total pension liability	85.84%	81.76%	82.67%	88.89%	82.08%	89.19%
Covered payroll	$ 39,335,988	$ 43,142,910	$ 44,410,952	$ 46,476,391	$ 48,814,159	$ 52,314,010
Net pension liability as a % of covered payroll	53.56%	69.12%	70.00%	46.99%	78.30%	48.08%

* GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

City of Allen, Texas **Exhibit A-6**

Schedule of Contributions –
Retirement Plan (TMRS)
Last Six Fiscal Years

	Fiscal Year Ended September 30,					
	2015*	2016*	2017*	2018*	2019*	2020*
Actuarially determined contributions	$ 5,785,220	$ 6,028,939	$ 6,217,858	$ 6,678,295	$ 7,228,643	$ 7,555,689
Actual contributions	(5,797,651)	(6,181,797)	(6,545,488)	(6,927,485)	(7,736,900)	(7,890,278)
Contributions deficiency (excess)	$ (12,431)	$ (152,858)	$ (327,630)	$ (249,190)	$ (508,257)	$ (334,589)
Covered payroll	$ 40,985,314	$ 43,564,466	$ 45,962,313	$ 47,782,955	$ 51,562,996	$ 53,937,361
Ratio of actual contributions to covered payroll amount	14.15%	14.19%	14.24%	14.50%	15.00%	14.63%

***** GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information:	There were no benefit changes during the year.

City of Allen, Texas **Exhibit A-7**

General Fund Schedule of Revenues, Expenditures,
and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Ad valorem taxes, penalties and interest	$ 54,800,296	$ 55,078,983	$ 54,955,725	$ (123,258)
Municipal sales tax	21,222,759	19,717,549	21,250,065	1,532,516
Franchise taxes	7,241,828	6,960,886	7,296,321	335,435
Licenses, permits and fees	3,110,875	2,866,700	3,125,832	259,132
Charges for services	12,377,280	6,641,131	5,891,767	(749,364)
Fines	1,709,590	1,043,844	1,102,633	58,789
Gifts and contributions	922,924	836,869	821,914	(14,955)
Intergovernmental	227,972	839,487	1,051,640	212,153
Investment earnings	650,000	785,697	1,431,967	646,270
Miscellaneous	2,197,117	2,011,340	2,159,505	148,165
Total revenues	104,460,641	96,782,486	99,087,369	2,304,883
EXPENDITURES				
Current:				
General government	20,389,060	19,625,988	21,741,541	(2,115,553)
Public safety	46,477,714	46,407,271	45,105,846	1,301,425
Public works	6,933,158	6,387,781	6,102,092	285,689
Culture and recreation	30,262,184	25,064,809	23,438,747	1,626,062
Community development	3,564,189	3,434,319	3,254,786	179,533
Capital Outlay	209,750	209,750	175,010	34,740
Total expenditures	107,836,055	101,129,918	99,818,022	1,311,896
Excess (deficiency) of revenues over (under) expenditures	(3,375,414)	(4,347,432)	(730,653)	3,616,779
OTHER FINANCING SOURCES (USES)				
Transfers in	5,013,745	5,327,680	5,327,680	-
Transfers out	(1,648,331)	(1,068,248)	(3,729,369)	(2,661,121)
Sale of capital assets	10,000	10,000	15,792	5,792
Total other financing sources (uses)	3,375,414	4,269,432	1,614,103	(2,655,329)
NET CHANGE IN FUND BALANCE	-	(78,000)	883,450	961,450
FUND BALANCES, BEGINNING OF YEAR	26,014,696	26,014,696	26,014,696	-
FUND BALANCES, END OF YEAR	$ 26,014,696	$ 25,936,696	$ 26,898,146	$ 961,450

Budgetary Information

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to each October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund and Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City adopts an annual budget for those funds for managerial control purposes.

5. The City Manager is authorized to adjust budgeted amounts. However, such revisions may not result in total expenditures (appropriations) in excess of budgeted expenditures without approval of the City Council. Therefore, the legal level of budgetary control is the combined total budgeted expenditures for all fund types.

6. Formal budgetary integration is not employed for Special Revenue Funds, Proprietary Funds or Capital Projects Funds. However, the City also adopts an annual budget for those funds for managerial control purposes.

7. Budgetary data for the Special Revenue Funds and Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the respective grant or project and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

For the year ended September 30, 2020, actual general government expenditures exceeded the final budget by $2,115,553 due to a $2.8 million contribution to AEDC in order for AEDC to satisfy a loan guarantee signed on behalf of TCH Alterra.

CITY OF ALLEN

Combining and Budgetary Comparison Schedules

Major Governmental Funds

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds, certificate of obligation bonds, and interest from governmental resources.

City of Allen, Texas **Exhibit B-1**

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	$ 14,478,846	$ 14,630,533	$ 14,483,717	$ (146,816)
Investment earnings	130,000	148,387	78,754	(69,633)
Total revenues	14,608,846	14,778,920	14,562,471	(216,449)
EXPENDITURES				
Principal retirement	11,094,987	11,097,263	11,094,986	(2,277)
Interest and fiscal charges	3,328,739	13,647,339	3,414,094	(10,233,245)
Total expenditures	14,423,726	24,744,602	14,509,080	(10,235,522)
Excess (deficiency) of revenues over (under) expenditures	185,120	(9,965,682)	53,391	10,019,073
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	10,088,600	7,730,000	(2,358,600)
Premium on issuance of bonds	-	-	957,019	957,019
Payment to refund bond escrow agent	-	-	(8,595,000)	(8,595,000)
Total other financing sources (uses)	-	10,088,600	92,019	(9,996,581)
NET CHANGE IN FUND BALANCES	185,120	122,918	145,410	22,492
FUND BALANCE, BEGINNING OF YEAR	1,713,320	1,713,320	1,713,320	-
FUND BALANCE, END OF YEAR	$ 1,898,440	$ 1,836,238	$ 1,858,730	$ 22,492

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel Occupancy Tax Fund – To account for funds received from hotel occupancy tax and expend as allowed by state law.

Asset Forfeiture Fund –- To account for activities associated with assets legally seized and forfeited.

Special Revenue Fund – To account for monies that have external legal restrictions associated with their use.

Gift Permanent Fund – To account for funds received through substantial gifts from the public.

Park Dedication Fund – To account for funds received and expended for the acquisition of additional park land and for the development of neighborhood parks.

Tax Increment Financing Fund – To account for the tracking of property tax and sales tax revenue and associated expenses for the City's Tax Increment Financing agreements.

City of Allen, Texas

Exhibit B-2

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
ASSETS							
Cash and cash equivalents	$ 947,464	$ 111,544	$ 940,467	$ 520,151	$ 843,006	$ 2,575,872	$ 5,938,504
Investments	1,529,429	67,537	750,532	5,081	228,189	3,844,979	6,425,747
Accounts receivable	70,250	619	35,713	2,090	-	50,983	159,655
Accrued interest	9,142	-	-	-	3,970	24,123	37,235
TOTAL ASSETS	$ 2,556,285	$ 179,700	$ 1,726,712	$ 527,322	$ 1,075,165	$ 6,495,957	$ 12,561,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 14,968	$ 11,121	$ 13,664	$ 70,000	$ 13,148	$ -	$ 122,901
Accrued liabilities	12,294	41,273	-	-	-	-	53,567
TOTAL LIABILITIES	27,262	52,394	13,664	70,000	13,148	-	176,468
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - interest	808	-	-	-	-	-	808
TOTAL DEFERRED INFLOWS OF RESOURCES	808	-	-	-	-	-	808
FUND BALANCES							
Restricted							
Tourism	2,528,215	-	-	-	-	-	2,528,215
Asset forfeiture	-	127,306	-	-	-	-	127,306
Park acquisition and development	-	-	-	-	1,062,017	-	1,062,017
Tax increment financing agreement	-	-	-	-	-	6,495,957	6,495,957
Court technology	-	-	121,841	-	-	-	121,841
Juvenile case manager	-	-	3,404	-	-	-	3,404
PEG fees	-	-	1,086,250	-	-	-	1,086,250
Radio system	-	-	496,163	-	-	-	496,163
Court security	-	-	5,390	-	-	-	5,390
Public safety and library enhancements	-	-	-	457,322	-	-	457,322
TOTAL FUND BALANCES	2,528,215	127,306	1,713,048	457,322	1,062,017	6,495,957	12,383,865
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,556,285	$ 179,700	$ 1,726,712	$ 527,322	$ 1,075,165	$ 6,495,957	$ 12,561,141

City of Allen, Texas **Exhibit B-3**

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	SPECIAL REVENUE						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
REVENUES							
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -	$ -	$ 1,579,291	$ 1,579,291
Franchise taxes	-	-	158,392	-	-	-	158,392
Municipal sales tax	-	-	-	-	-	436,270	436,270
Licenses, permits, and fees	-	-	-	-	215,535	-	215,535
Fines	-	-	92,663	-	-	-	92,663
Hotel / motel taxes	1,156,398	-	-	-	-	-	1,156,398
Intergovernmental	70,669	-	240,489	-	-	133,921	445,079
Investment earnings	79,415	5,114	44,059	18,984	26,427	185,347	359,346
Miscellaneous	-	65,208	-	-	-	-	65,208
Total revenues	1,306,482	70,322	535,603	18,984	241,962	2,334,829	4,508,182
EXPENDITURES							
General government	-	-	89,122	-	-	925,235	1,014,357
Public safety	-	142,238	-	106,721	-	-	248,959
Culture and recreation	1,420,800	-	-	-	18,345	-	1,439,145
Capital outlay	-	-	62,353	268,774	292,179	-	623,306
Total expenditures	1,420,800	142,238	151,475	375,495	310,524	925,235	3,325,767
Excess (deficiency) of revenues over (under) expenditures	(114,318)	(71,916)	384,128	(356,511)	(68,562)	1,409,594	1,182,415
OTHER FINANCING SOURCES (USES)							
Transfers out	(3,540)	-	(94,140)	-	-	-	(97,680)
Sale of capital assets	-	21,684	-	-	-	-	21,684
Total other financing sources (uses)	(3,540)	21,684	(94,140)	-	-	-	(75,996)
NET CHANGE IN FUND BALANCES	(117,858)	(50,232)	289,988	(356,511)	(68,562)	1,409,594	1,106,419
FUND BALANCES, BEGINNING OF YEAR	2,646,073	177,538	1,423,060	813,833	1,130,579	5,086,363	11,277,446
FUND BALANCES, END OF YEAR	$ 2,528,215	$ 127,306	$ 1,713,048	$ 457,322	$ 1,062,017	$ 6,495,957	$ 12,383,865

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

Replacement Fund - accounts for the costs associated with the acquisition of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund – accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund - The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

City of Allen, Texas **Exhibit C-1**

Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 8,032,258	$ 3,714,217	$ 1,021,111	$ 12,767,586
Investments	8,105,626	6,137,897	758,077	15,001,600
Accounts receivable	-	22,941	-	22,941
Accrued interest receivable	52,116	38,550	6,752	97,418
Prepaid items	-	251,600	-	251,600
Total current assets	16,190,000	10,165,205	1,785,940	28,141,145
CAPITAL ASSETS				
Machinery and equipment	5,803,006	-	-	5,803,006
Vehicles	17,529,340	-	-	17,529,340
Accumulated depreciation	(14,360,733)	-	-	(14,360,733)
Capital assets, net of accumulated depreciation	8,971,613	-	-	8,971,613
TOTAL ASSETS	25,161,613	10,165,205	1,785,940	37,112,758
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	325,625	269,452	46,099	641,176
Accrued liabilities	-	74	-	74
Incurred but not reported claims	-	1,053,311	-	1,053,311
TOTAL LIABILITIES	325,625	1,322,837	46,099	1,694,561
NET POSITION				
Net investment in capital assets	8,971,613	-	-	8,971,613
Unrestricted	15,864,375	8,842,368	1,739,841	26,446,584
TOTAL NET POSITION	$ 24,835,988	$ 8,842,368	$ 1,739,841	$ 35,418,197

City of Allen, Texas **Exhibit C-2**

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2020

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
OPERATING REVENUES				
Charges for services	$ 2,827,012	$ 13,269,529	$ -	$ 16,096,541
Other income	89,687	273,569	6,632	369,888
Total operating revenues	2,916,699	13,543,098	6,632	16,466,429
OPERATING EXPENSES				
Personal services	-	386,131	-	386,131
Contractual services	-	12,429,004	-	12,429,004
Maintenance	-	-	324,567	324,567
Supplies	13,402	-	-	13,402
Depreciation	2,364,453	-	-	2,364,453
Total operating expenses	2,377,855	12,815,135	324,567	15,517,557
OPERATING INCOME (LOSS)	538,844	727,963	(317,935)	948,872
NON-OPERATING REVENUES				
Investment earnings	395,970	265,265	48,353	709,588
Gain on disposal of capital assets	106,870	-	-	106,870
Total non-operating revenues	502,840	265,265	48,353	816,458
INCOME (LOSS) BEFORE TRANSFERS	1,041,684	993,228	(269,582)	1,765,330
TRANSFERS				
Transfers in	900,000	537,710	331,000	1,768,710
Total transfers	900,000	537,710	331,000	1,768,710
CHANGE IN FUND NET POSITION	1,941,684	1,530,938	61,418	3,534,040
NET POSITION, BEGINNING OF YEAR	22,894,304	7,311,430	1,678,423	31,884,157
NET POSITION, END OF YEAR	$ 24,835,988	$ 8,842,368	$ 1,739,841	$ 35,418,197

City of Allen, Texas **Exhibit C-3**

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	$ 2,988,084	$ 13,638,816	$ -	$ 16,626,900
Cash paid to employees for services	-	(390,680)	-	(390,680)
Cash paid for goods and services	175,512	(3,759,731)	(406,484)	(3,990,703)
Cash paid for claims	-	(8,582,668)	-	(8,582,668)
Net cash provided by (used in) operating activities	3,163,596	905,737	(406,484)	3,662,849
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	900,000	537,710	331,000	1,768,710
Transfers out	-	-	-	-
Net cash provided by non-capital financing activities	900,000	537,710	331,000	1,768,710
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,645,363)	-	-	(1,645,363)
Proceeds from sale of capital assets	106,870	-	-	106,870
Net cash used in capital and related financing activities	(1,538,493)	-	-	(1,538,493)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	2,648,693	737,405	855,462	4,241,560
Interest on investments	388,402	261,905	47,300	697,607
Net cash provided by investing activities	3,037,095	999,310	902,762	4,939,167
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,562,198	2,442,757	827,278	8,832,233
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,470,060	1,271,460	193,833	3,935,353
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,032,258	$ 3,714,217	$ 1,021,111	$ 12,767,586
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net operating income (loss)	$ 538,844	$ 727,963	$ (317,935)	$ 948,872
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,364,453	-	-	2,364,453
Change in assets and liabilities:				
Accounts receivable	71,385	95,718	-	167,103
Prepaids	-	(26,918)	-	(26,918)
Liabilities	188,914	108,974	(88,549)	209,339
Total adjustments	2,624,752	177,774	(88,549)	2,713,977
Net cash provided by (used in) operating activities	$ 3,163,596	$ 905,737	$ (406,484)	$ 3,662,849
NON-CASH INVESTING ACTIVITIES				
Change in the fair value of investments	$ (26,141)	$ (20,647)	$ (3,344)	$ (50,132)

Discretely Presented Component Units

Allen Economic Development Corporation (AEDC) – AEDC is a legally separate entity from the City and is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) – ACDC is a legally separate entity from the City and is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

City of Allen, Texas **Exhibit D-1**

Balance Sheet
Allen Economic Development Corporation
September 30, 2020

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	3,211,778
Investments		6,709,963
Sales tax receivable		1,865,811
Accounts receivable		867
Accrued interest receivable		24,637
TOTAL ASSETS	$	11,813,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	45,224
Accrued and other liabilities		603,891
TOTAL LIABILITIES		649,115
FUND BALANCE		
Restricted		
Debt service		492,475
Unassigned		10,671,466
TOTAL FUND BALANCE		11,163,941
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	11,813,056

City of Allen, Texas **Exhibit D-2**

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
Allen Economic Development Corporation
September 30, 2020

Total fund balance of governmental fund balance sheet	$	11,163,941
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		375,803
Interest payable on long-term debt does not require current financial resources. Accordingly, interest payable is not reported as a liability on the governmental funds balance sheet.		(43,916)
Long-term liabilities, including bonds payable are not due and payable in the current period and, accordingly, are not reported in the fund financial statements.		(12,405,305)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, accordingly, are not reported on the governmental funds balance sheet.		19,043,828
Net position of governmental activities	$	18,134,351

City of Allen, Texas **Exhibit D-3**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Economic Development Corporation
For the Year Ended September 30, 2020

REVENUES		
Sales and other taxes	$	10,671,092
Investment earnings		199,726
Miscellaneous		5,815,284
Total revenues		16,686,102
EXPENDITURES		
Current:		
Economic development		13,568,015
Debt service:		
Principal retirement		3,170,641
Interest and fiscal charges		584,201
Total expenditures		17,322,857
Deficiency of revenues under expenditures		(636,755)
OTHER FINANCING SOURCES		
Issuance of debt		2,110,000
Proceeds from sale of capital assets		1,417,738
Total other financing sources		3,527,738
NET CHANGE IN FUND BALANCE		2,890,983
FUND BALANCE, BEGINNING OF YEAR		8,272,958
FUND BALANCE, END OF YEAR	$	11,163,941

City of Allen, Texas **Exhibit D-4**

Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Economic Development Corporation
For the Year Ended September 30, 2020

Net change in fund balance - total governmental fund		$ 2,890,983
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(50,205)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Bonds issued	$ (2,110,000)	
Bond principal retirement	2,530,000	
Note principal retirement	640,641	
Amortization of bond premiums	132,359	
Amortization of deferred charges on refunding	(54,333)	1,138,667
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		7,200
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(15,039)
In the governmental fund financial statements, the proceeds from a sale of assets are shown as an increase in financial resources. However, in the statement of activities, gain or loss from the transaction is calculated and reported.		(194,052)
Change in net position of governmental activities		$ 3,777,554

City of Allen, Texas **Exhibit D-5**

Balance Sheet
Allen Community Development Corporation
September 30, 2020

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	7,839,868
Investments		10,677,392
Sales tax receivable		1,865,811
Accrued interest receivable		68,966
TOTAL ASSETS	$	20,452,037
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	128,182
Retainage payable		3,725
TOTAL LIABILITIES		131,907
FUND BALANCES		
Restricted		
Debt service		208,303
Unassigned		20,111,827
TOTAL FUND BALANCE		20,320,130
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	20,452,037

City of Allen, Texas **Exhibit D-6**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Allen Community Development Corporation
September 30, 2020

Total governmental fund balance	$	20,320,130
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		405,066
Interest payable on long-term debt does not require the use of current financial resources, and, accordingly, is not reported as a liability on the governmental fund balance sheet.		(52,239)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		(24,315,000)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, therefore, are not reported on the governmental fund balance sheet.		48,400,383
Net position of governmental activities	$	44,758,340

City of Allen, Texas **Exhibit D-7**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Community Development Corporation
For the Year Ended September 30, 2020

REVENUES		
Sales and other taxes	$	10,671,092
Investment earnings		529,760
Total revenues		11,200,852
EXPENDITURES		
Current:		
Community development		4,412,286
Capital projects:		
Community development		1,099,717
Debt service:		
Principal retirement		1,755,000
Interest and fiscal charges		655,239
Total expenditures		7,922,242
Excess of revenues over expenditures		3,278,610
NET CHANGE IN FUND BALANCE		3,278,610
FUND BALANCE, BEGINNING OF YEAR		17,041,520
FUND BALANCE, END OF YEAR	$	20,320,130

City of Allen, Texas **Exhibit D-8**

Reconciliation of the Governmental Fund Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Community Development Corporation
For the Year Ended September 30, 2020

Net change in fund balance - total governmental fund	$	3,278,610
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		1,099,717
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(35,065)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements.		(81,014)
Current year changes in accrued interest payable do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.		2,302
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(3,390,464)
Repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position.		1,755,000
Change in net position of governmental activities	$	2,629,086

CITY OF ALLEN

Statistical Section
(Unaudited)

CITY OF ALLEN

STATISTICAL SECTION

This part of the City of Allen's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1, 2, 3 & 4**
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	**5, 6, 7 & 8**
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**9, 10, 11 & 12**
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	**13 & 14**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	**15, 16 & 17**

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003: tables presenting government-wide information include information beginning in that year.

City of Allen, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 366,601,816	$ 373,586,071	$ 369,314,466	$ 363,168,607	$ 355,756,224	$ 364,667,251	$ 366,322,218	$ 379,153,944	$ 391,261,029	$ 392,368,425
Restricted	18,656,870	21,042,413	26,511,231	26,066,205	31,476,026	32,485,173	38,303,226	39,588,223	44,872,796	13,891,413
Unrestricted	7,621,235	8,054,347	8,960,703	12,436,903	16,596,955	14,435,604	15,902,576	15,312,432	20,238,419	57,821,649
Total governmental net position	$ 392,879,921	$ 402,682,831	$ 404,786,400	$ 401,671,715	$ 403,829,205	$ 411,588,028	$ 420,528,020	$ 434,054,599	$ 456,372,244	$ 464,081,487
Business-type activities										
Net investment in capital assets	$ 96,288,053	$ 99,960,794	$ 99,544,466	$ 100,991,443	$ 102,340,588	$ 106,174,191	$ 107,926,811	$ 103,762,241	$ 113,459,625	$ 113,355,391
Restricted for debt service	349,692	428,646	364,510	26,859	344,421	216,664	195,485	46,350	571,053	513,520
Unrestricted	29,434,587	31,346,727	33,860,716	32,720,930	34,165,174	33,592,809	31,920,455	43,785,615	40,240,619	50,803,699
Total business-type net position	$ 126,072,332	$ 131,736,167	$ 133,769,692	$ 133,739,232	$ 136,850,183	$ 139,983,664	$ 140,042,751	$ 147,594,206	$ 154,271,297	$ 164,672,610
Primary government										
Net investment in capital assets	$ 462,889,869	$ 473,546,865	$ 468,858,932	$ 464,160,050	$ 458,096,812	$ 470,841,442	$ 474,249,029	$ 482,916,185	$ 504,720,654	$ 505,723,816
Restricted for debt service	19,006,562	21,471,059	26,875,741	26,093,064	31,820,447	32,701,837	38,498,711	39,634,573	45,443,849	14,404,933
Unrestricted	37,055,822	39,401,074	42,821,419	45,157,833	50,762,129	48,028,413	47,823,031	59,098,047	60,479,038	108,625,348
Total primary government net position	$ 518,952,253	$ 534,418,998	$ 538,556,092	$ 535,410,947	$ 540,679,388	$ 551,571,692	$ 560,570,771	$ 581,648,805	$ 610,643,541	$ 628,754,097

Source: City of Allen Comprehensive Annual Financial Reports

City of Allen, Texas **Table 2**

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	$ 16,989,047	$ 18,347,067	$ 22,271,050	$ 24,940,939	$ 24,464,246	$ 25,304,811	$ 28,251,550	$ 26,764,210	$ 21,238,061	$ 24,937,087
Public safety	27,110,778	28,675,146	28,935,911	30,408,487	31,607,444	35,199,937	39,624,788	39,213,768	44,993,635	47,369,212
Public works	16,779,393	17,681,730	17,807,948	18,252,130	18,349,569	19,083,214	20,209,785	24,161,991	27,039,953	22,393,268
Culture and recreation	30,645,922	32,112,451	29,983,224	30,987,689	32,407,934	32,851,598	28,968,534	33,791,438	33,287,645	29,015,632
Community development	2,742,284	2,527,518	2,230,968	2,689,517	2,861,704	3,251,555	3,007,047	3,079,242	3,160,050	5,238,233
Interest on long-term debt	4,715,550	4,539,622	4,067,303	3,955,305	3,921,989	3,356,234	2,980,513	2,920,824	2,888,831	2,745,698
Total governmental activities expenses	98,982,974	103,883,534	105,296,404	111,234,067	113,612,886	119,047,349	123,042,217	129,931,473	132,608,175	131,699,130
Business-type activities:										
Water and sewer	25,638,007	26,359,698	29,160,281	30,081,379	32,304,628	35,604,182	39,527,816	41,134,685	44,511,123	45,524,999
Solid waste	5,411,960	5,429,049	5,495,654	5,383,215	5,560,294	5,870,269	6,078,853	6,223,788	6,248,035	6,525,391
Drainage	819,947	882,726	910,179	951,973	914,322	1,146,138	1,193,057	1,260,262	1,396,935	1,555,570
Golf Course	1,912,583	1,179,015	2,483,467	2,839,098	2,911,476	3,089,041	3,135,144	3,397,180	3,332,927	3,166,856
Total business-type activities expenses	33,782,497	33,850,488	38,049,581	39,255,665	41,690,720	45,709,630	49,934,870	52,015,915	55,489,020	56,772,816
Total primary government expenses	$ 132,765,471	$ 137,734,022	$ 143,345,985	$ 150,489,732	$ 155,303,606	$ 164,756,979	$ 172,977,087	$ 181,947,388	$ 188,097,195	$ 188,471,946
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	$ 575,406	$ 712,432	$ 675,196	$ 823,801	$ 705,064	$ 467,786	$ 497,243	$ 525,542	$ 500,122	$ 509,691
Public safety	1,521,787	1,577,643	1,541,985	1,568,294	1,647,407	1,801,984	2,712,076	2,171,332	1,954,810	2,189,114
Public works	117,518	137,357	196,685	154,418	233,808	210,687	293,559	1,333,506	1,485,962	725,209
Culture and recreation	7,762,439	8,019,145	8,443,286	8,425,791	9,177,211	10,289,465	8,747,206	9,803,084	9,744,309	3,793,429
Community development	1,394,833	1,265,485	2,220,438	3,103,410	3,021,708	3,216,799	4,266,140	4,025,326	4,798,471	2,530,977
Operating grants and contributions	2,736,094	1,504,355	2,067,482	1,121,356	1,749,567	1,557,260	2,443,054	2,423,768	2,056,001	3,427,631
Capital grants and contributions	5,437,433	26,626,381	14,737,780	9,571,206	10,552,610	16,039,869	15,327,094	18,942,856	19,888,044	10,639,664
Total governmental activities program revenues	19,545,510	39,842,798	29,882,852	24,768,276	27,087,375	33,583,850	34,286,372	39,225,414	40,427,719	23,815,715
Business-type activities:										
Charges for services:										
Water and sewer	30,798,158	28,693,707	30,808,084	28,955,282	34,135,714	36,335,868	37,163,882	42,453,681	43,103,920	49,461,636
Solid waste	6,138,900	6,040,165	6,114,951	6,309,729	6,474,386	6,687,182	6,735,559	6,933,356	7,006,423	7,116,831
Drainage	1,284,058	1,338,680	1,352,671	1,378,662	1,465,044	1,519,405	1,648,681	1,907,407	1,763,694	2,162,770
Golf Course	1,406,555	59,054	1,924,706	2,537,564	2,361,384	2,705,799	2,959,361	2,810,424	3,138,144	3,199,136
Operating grants and contributions	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-
Capital grants and contributions	2,749,029	7,151,043	3,788,300	3,685,960	4,416,642	6,172,301	5,622,911	9,734,528	10,175,397	8,332,962
Total business-type activities program revenues	43,376,700	44,282,649	44,988,712	43,867,197	49,853,170	53,420,555	54,130,394	63,839,396	65,187,578	70,273,335
Total primary government program revenues	$ 62,922,210	$ 84,125,447	$ 74,871,564	$ 68,635,473	$ 76,940,545	$ 87,004,405	$ 88,416,766	$ 103,064,810	$ 105,615,297	$ 94,089,050

(continued)

City of Allen, Texas

Table 2

Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)
(Unaudited)

Net (Expenses) Revenue										
Governmental activities	$ (79,437,464)	$ (64,040,736)	$ (75,413,552)	$ (86,465,791)	$ (86,525,511)	$ (85,463,499)	$ (88,755,845)	$ (90,706,059)	$ (92,180,456)	$ (107,883,415)
Business-type activities	9,594,203	10,432,161	6,939,131	4,611,532	8,162,450	7,710,925	4,195,524	11,823,481	9,698,558	13,500,519
Total primary government net expenses	$ (69,843,261)	$ (53,608,575)	$ (68,474,421)	$ (81,854,259)	$ (78,363,061)	$ (77,752,574)	$ (84,560,321)	$ (78,882,578)	$ (82,481,898)	$ (94,382,896)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	$ 41,111,106	$ 42,042,753	$ 44,474,745	$ 46,232,565	$ 50,143,986	$ 54,102,952	$ 58,816,876	$ 63,929,379	$ 68,865,078	$ 70,917,335
Sales taxes	13,907,095	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,505	21,648,401	21,686,335
Franchise taxes	6,421,059	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713
Hotel / Motel taxes	1,113,312	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,759,159	1,156,398
Other taxes	1,886,665	1,622,633	1,389,503	2,151,232	1,851,397	1,621,012	1,912,559	1,704,227	2,204,220	1,195,296
Investment earnings	644,169	538,863	177,495	416,828	689,736	735,832	837,577	944,196	4,048,112	4,246,550
Gain on disposition of capital assets	233,783	40,509	92,401	-	-	-	263,627	446,117	-	144,347
Miscellaneous	1,451,743	1,802,747	2,079,082	2,445,491	2,650,103	3,794,277	2,703,964	3,592,229	3,460,124	4,188,530
Transfers	5,071,346	5,377,207	5,361,830	5,627,137	6,249,489	4,790,072	4,610,889	4,398,244	4,702,914	4,603,154
Total governmental activities	71,840,278	73,843,646	77,517,121	83,351,106	88,683,001	93,222,322	97,695,837	105,209,055	114,498,101	115,592,658
Business-type activities:										
Investment earnings	184,709	197,613	70,382	134,988	194,051	197,125	199,508	210,045	1,284,728	1,140,957
Gain on disposition of capital assets	-	-	-	-	-	15,503	-	13,228	-	9,713
Miscellaneous	143,329	411,268	385,842	850,157	1,003,939	-	274,944	21,030	396,719	353,278
Transfers	(5,071,346)	(5,377,207)	(5,361,830)	(5,627,137)	(6,249,489)	(4,790,072)	(4,610,889)	(4,398,244)	(4,702,914)	(4,603,154)
Total business-type activities	(4,743,308)	(4,768,326)	(4,905,606)	(4,641,992)	(5,051,499)	(4,577,444)	(4,136,437)	(4,153,941)	(3,021,467)	(3,099,206)
Total primary government	$ 67,096,970	$ 69,075,320	$ 72,611,515	$ 78,709,114	$ 83,631,502	$ 88,644,878	$ 93,559,400	$ 101,055,114	$ 111,476,634	$ 112,493,452
Change in Net Position										
Governmental activities	$ (7,597,186)	$ 9,802,910	$ 2,103,569	$ (3,114,685)	$ 2,157,490	$ 7,758,823	$ 8,939,992	$ 14,502,996	$ 22,317,645	$ 7,709,243
Business-type activities	4,850,895	5,663,835	2,033,525	(30,460)	3,110,951	3,133,481	59,087	7,669,540	6,677,091	10,401,313
Total primary government	$ (2,746,291)	$ 15,466,745	$ 4,137,094	$ (3,145,145)	$ 5,268,441	$ 10,892,304	$ 8,999,079	$ 22,172,536	$ 28,994,736	$ 18,110,556

Source: City of Allen Comprehensive Annual Financial Reports

City of Allen, Texas **Table 3**

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	$ 156	$ 2,081	$ 2,098	$ 4,767	$ 1,486	$ 2,129	$ 126,833	$ 25,747	$ 209,323	$ 8,777
Restricted	55,898	513,801	726,953	752,238	779,185	907,908	58,910	59,386	61,304	63,185
Assigned	1,402	133,478	851,564	748,200	921,030	-	2,000,000	-	-	-
Unassigned	15,349,834	15,857,642	14,672,989	17,368,187	18,407,873	20,911,943	19,684,053	23,626,108	25,744,069	26,826,184
Total General Fund	$ 15,407,290	$ 16,507,002	$ 16,253,604	$ 18,873,392	$ 20,109,574	$ 21,821,980	$ 21,869,796	$ 23,711,241	$ 26,014,696	$ 26,898,146
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 751	$ 751
Restricted	31,131,674	26,297,587	34,132,037	42,149,113	51,398,430	46,610,702	57,540,668	27,922,044	31,444,917	46,411,439
Assigned	-	-	-	-	-	-	-	28,349,191	32,023,933	34,703,219
Unassigned (deficit)	-	-	-	-	-	-	-	(4,428)	-	-
Total all other governmental funds	$ 31,131,674	$ 26,297,587	$ 34,132,037	$ 42,149,113	$ 51,398,430	$ 46,610,702	$ 57,540,668	$ 56,266,807	$ 63,469,601	$ 81,115,409

Source: City of Allen Comprehensive Annual Financial Reports

City of Allen, Texas **Table 4**

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Ad valorem taxes	$ 41,167,524	$ 42,045,252	$ 44,725,261	$ 46,142,222	$ 50,177,840	$ 54,104,132	$ 58,875,936	$ 63,775,055	$ 68,884,826	$ 71,018,733
Franchise taxes	6,421,059	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713
Municipal sales tax	13,907,095	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,504	21,648,401	21,686,335
Licenses, permits and fees	1,270,493	1,215,677	2,294,955	2,915,533	3,134,551	3,064,580	4,450,639	4,494,361	5,279,425	3,341,367
Charges for services	9,234,618	10,051,684	10,623,970	10,580,553	11,734,344	13,002,770	11,664,328	13,442,785	13,586,474	6,845,248
Fines	1,886,665	1,648,194	1,402,725	2,160,168	1,805,230	1,579,628	1,851,735	1,710,354	2,214,571	1,195,296
Gifts and contributions	986,125	1,443,766	1,322,228	819,408	1,012,103	832,211	712,437	852,322	1,585,613	821,914
Hotel / motel fees	1,113,312	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,758,858	1,156,398
Intergovernmental	3,795,087	4,637,343	5,267,026	1,704,404	3,570,737	2,645,089	1,927,567	3,555,241	1,258,398	4,210,605
Investment earnings	547,525	440,065	144,604	344,386	577,014	627,760	643,928	851,954	3,280,340	3,648,787
Miscellaneous	1,939,352	2,241,166	2,671,410	3,394,197	3,420,441	3,711,870	3,428,366	3,276,677	3,106,994	3,896,892
Total revenues	82,268,855	86,142,081	92,394,244	94,538,724	102,530,550	107,746,217	112,105,281	122,153,411	130,413,993	125,276,288
EXPENDITURES										
General government	16,502,188	17,145,603	21,785,677	23,544,055	23,996,598	24,101,637	27,182,391	26,141,256	19,902,542	23,770,757
Public safety	26,089,579	27,291,201	28,317,603	29,214,552	30,731,310	32,966,265	37,294,550	38,524,578	43,283,984	45,372,064
Public works	3,856,373	4,104,118	4,055,500	4,077,961	4,888,798	4,865,431	5,428,996	8,899,247	11,194,393	10,342,827
Culture and recreation	21,785,214	22,460,071	20,864,140	21,435,581	22,540,516	24,287,382	23,745,884	29,714,212	30,044,660	24,910,955
Community development	2,549,235	2,406,485	2,211,253	2,631,289	2,880,880	2,833,011	2,951,864	3,076,260	3,161,679	3,254,786
Capital outlay	17,398,837	7,972,159	6,123,786	6,573,002	6,555,445	15,408,293	7,053,863	13,114,988	11,921,047	9,458,085
Debt service										
Principal retirement	6,930,000	7,634,130	7,964,914	8,364,986	9,322,537	9,135,000	10,445,000	11,181,377	11,382,162	11,094,986
Interest and fiscal charges	4,775,982	4,562,965	3,955,639	3,882,394	3,931,548	3,801,812	3,378,943	3,461,414	3,407,768	3,414,094
Total expenditures	99,887,408	93,576,732	95,278,512	99,723,820	104,847,632	117,398,831	117,481,491	134,113,332	134,298,235	131,618,554
Excess (deficiency) of revenues over (under) expenditures	(17,618,553)	(7,434,651)	(2,884,268)	(5,185,096)	(2,317,082)	(9,652,614)	(5,376,210)	(11,959,921)	(3,884,242)	(6,342,266)
OTHER FINANCING SOURCES (USES)										
Refunding bonds issued	12,625,000	13,940,000	-	-	32,245,000	6,910,000	-		1,660,000	7,730,000
Premium on bonds issued	667,702	2,296,042	350,071	432,879	3,772,133	1,039,610	955,225	978,386	9,570,000	4,034,604
Issuance of debt	5,000,000	-	5,065,000	10,595,000	-	1,940,000	11,845,000	8,355,000	894,793	18,830,000
Capital lease obligations	-	29,905	-	-	-	1,700,000	-	75,622	(1,675,000)	-
Payment to refund bond escrow agent	(12,998,419)	(16,050,003)	-	-	(28,097,931)	(7,789,058)	-	-	33,908	(8,595,000)
Transfer in	6,849,982	7,074,436	9,598,187	9,257,105	9,711,565	9,137,082	9,805,859	9,682,182	11,412,228	7,388,801
Transfer out	(2,336,625)	(3,599,726)	(4,571,226)	(4,484,282)	(4,847,771)	(6,384,490)	(6,295,989)	(6,639,012)	(8,554,069)	(4,554,357)
Proceeds from sale of capital assets	23,259	9,622	23,288	21,258	19,585	24,148	43,897	85,327	38,631	37,476
Total other financing sources	9,830,899	3,700,276	10,465,320	15,821,960	12,802,581	6,577,292	16,353,992	12,537,505	13,380,491	24,871,524
NET CHANGE IN FUND BALANCES	$ (7,787,654)	$ (3,734,375)	$ 7,581,052	$ 10,636,864	$ 10,485,499	$ (3,075,322)	$ 10,977,782	$ 577,584	$ 9,496,249	$ 18,529,258
Debt service as a percentage of noncapital expenditures	14.2%	14.3%	13.4%	13.2%	13.6%	12.7%	12.5%	12.1%	12.1%	11.0%

Source: City of Allen Comprehensive Annual Financial Reports

City of Allen, Texas **Table 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2011	$ 7,592,460,367	$ 673,537,481	$ 876,322,043	$ 7,389,675,805	0.55400
2012	7,721,491,897	496,008,713	615,320,140	7,602,180,470	0.55300
2013	7,810,983,131	833,800,673	643,485,592	8,001,298,212	0.55200
2014	8,197,352,931	789,414,854	613,723,945	8,373,043,840	0.55000
2015	9,347,795,862	885,946,440	1,071,401,599	9,162,340,703	0.54000
2016	10,892,510,607	949,453,680	1,665,547,504	10,176,416,783	0.53000
2017	12,247,829,044	1,019,719,862	1,799,062,766	11,468,486,140	0.52000
2018	13,546,087,428	1,031,270,509	1,878,212,643	12,699,145,294	0.51000
2019	14,696,634,742	1,158,167,450	1,903,666,393	13,951,135,799	0.49800
2020	15,295,656,455	1,233,701,862	2,005,309,071	14,524,049,246	0.48900

Sources: City of Allen Budget Documents
Collin Central Appraisal District

City of Allen, Texas **Table 6**

Direct and Overlapping Property Tax Rates (Per $100 Of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates				
Fiscal Year Ended September 30,	Operating/ General Rate	General Obligation Debt Service	Total Direct	Allen Independent School District	Plano Independent School District	McKinney Independent School District	Collin County	Collin County Community College District
2011	0.40908	0.14492	0.55400	1.54000	1.35340	1.52800	0.24000	0.08630
2012	0.40533	0.14767	0.55300	1.67000	1.37340	1.54000	0.24000	0.08630
2013	0.40506	0.14694	0.55200	1.67000	1.37340	1.54000	0.24000	0.08630
2014	0.40912	0.14088	0.55000	1.67000	1.45300	1.67000	0.23750	0.08364
2015	0.39836	0.14164	0.54000	1.64000	1.44800	1.67000	0.23500	0.08196
2016	0.40627	0.12373	0.53000	1.61000	1.43900	1.67000	0.22500	0.08196
2017	0.39627	0.12373	0.52000	1.59000	1.43900	1.62000	0.20840	0.08122
2018	0.39274	0.11726	0.51000	1.57000	1.43900	1.62000	0.19225	0.07981
2019	0.39346	0.10454	0.49800	1.55000	1.43900	1.59000	0.18079	0.08122
2020	0.38704	0.10196	0.48900	1.45890	1.33735	1.48835	0.17495	0.08122

Source: Collin Central Appraisal District

City of Allen, Texas **Table 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

2020			2011		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
VAA Improvements LLC	$ 162,926,685	1.12%	AT&T Mobility LLC	$ 115,556,371	1.56%
Watters Creek Owner LLC	131,781,660	0.91%	Village At Allen LP	113,881,870	1.54%
Allen Premium Outlets LP	117,371,110	0.81%	Coventry II DDR/Trademark Montgomery Farm	111,700,000	1.51%
AT&T Mobility LLC	104,381,374	0.72%	Chelsea Allen Development LP	69,770,171	0.94%
Cisco Systems Inc	86,873,456	0.60%	Oncor Electric Delivery Company	36,174,296	0.49%
Creekside Acquisition LP	71,300,000	0.49%	BH Benton Pointe Apartments LLC	30,000,000	0.41%
AT&T Services Inc	66,784,745	0.46%	Lexington Allen LP	29,816,651	0.40%
Benton Pointe LP	60,500,000	0.42%	TC Village Inc	29,015,186	0.39%
C1-Allen LLC	60,096,441	0.41%	BH Settler's Gate Apartments LP	28,800,000	0.39%
Settler's Gate Apartments LP	59,810,190	0.41%	JQH - Allen Development LLC	26,000,000	0.35%
Total	$ 921,825,661	6.35%	Total	$ 590,714,545	8.00%
Total Assessed Valuation	$ 14,524,049,246	100.00%	Total Assessed Valuation	$ 7,389,675,805	100.00%

Source: Collin Central Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2019 (2019 tax year) for the 2020 fiscal year.

[b]Taxpayers are assessed on January 1, 2010 (2010 tax year) for the 2011 fiscal year.

City of Allen, Texas **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 41,262,761	$ 41,006,394	99.38 %	$ 224,883	$ 41,231,278	99.92
2012	42,945,211	41,817,303	97.37 %	514,069	42,331,373	98.57
2013	44,390,125	44,005,302	99.13 %	356,575	44,361,877	99.94
2014	46,466,114	45,924,321	98.83 %	490,249	46,414,570	99.89
2015	49,958,933	49,472,535	99.03 %	422,874	49,895,408	99.87
2016	54,342,759	53,821,573	99.04 %	442,503	54,264,076	99.86
2017	58,617,868	58,282,589	99.43 %	248,613	58,531,202	99.85
2018	63,184,129	62,950,713	99.63 %	115,403	63,066,116	99.81
2019	67,684,728	67,511,154	99.74 %	-	67,511,154	99.74
2020	70,617,878	70,437,542	99.74 %	-	70,437,542	99.74

Source: Collin County Tax Assessor

City of Allen, Texas **Table 9**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income[a]	Per Capita[a]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations		
2011	$ 104,330,000	$ 4,455,000	$ -	$ 914,918	$ 11,770,000	$ (34,414)	4.01%	1,402
2012	99,365,000	1,060,000	-	1,957,998	10,535,000	(74,053)	3.42%	1,281
2013	96,735,000	800,000	-	2,433,439	9,370,000	456,061	2.96%	1,224
2014	99,245,000	530,000	-	4,615,649	8,015,000	691,493	3.19%	1,241
2015	95,690,000	490,000	-	7,258,749	6,735,000	596,700	2.81%	1,188
2016	93,920,844	450,000	1,940,000	1,700,000	5,760,000	448,387	2.73%	1,102
2017	96,184,995	405,000	1,255,000	1,250,000	4,760,000	282,326	2.60%	1,043
2018	94,460,400	-	635,000	864,245	13,850,800	719,391	2.34%	1,077
2019	91,466,739	-	2,600,000	75,991	16,637,388	569,182	2.37%	1,039
2020	98,980,840	-	4,920,000	46,005	21,581,071	423,155	2.58%	1,149

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 13 for personal income and population data.

City of Allen, Texas **Table 10**

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2011	$ 104,330,000	$ 4,455,000	$ -	$ 108,785,000	1.47%	$ 1,256
2012	99,365,000	1,060,000	-	100,425,000	1.32%	1,140
2013	96,735,000	800,000	-	97,535,000	1.22%	1,087
2014	99,245,000	530,000	-	99,775,000	1.19%	1,095
2015	95,690,000	490,000	-	96,180,000	1.05%	1,031
2016	93,920,844	450,000	1,940,000	96,310,844	0.95%	1,018
2017	96,184,995	405,000	1,255,000	97,844,995	0.85%	980
2018	94,460,400	-	635,000	95,095,400	0.75%	927
2019	91,466,739	-	2,600,000	94,066,739	0.67%	878
2020	98,980,840	-	4,920,000	103,900,840	0.72%	948

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

City of Allen, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
as of September 30, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (**a**)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Allen I.S.D.	$ 551,873,446	90.31%	$ 498,396,909
Plano I.S.D.	753,090,000	0.85%	6,401,265
McKinney I.S.D.	491,650,000	0.14%	688,310
Lovejoy I.S.D.	157,942,326	10.45%	16,504,973
Collin County	487,405,000	10.09%	49,179,165
Collin College	524,590,000	10.09%	52,931,131
Subtotal, overlapping debt			$ 624,101,753
City of Allen direct debt outstanding	$ 103,946,845	100.00%	103,946,845
Total Direct and Overlapping Debt			$ 728,048,598

Source: Taxable value data used to estimated applicable percentages provided by Collin Central Appraisal District. Net Bonded Debt Outstanding and Percentage of debt obtained from the Texas Municipal Report ("TMR") that was prepared by the Municipal Advisory Council of Texas ("MAC").

Notes: (**a**) The percentage of applicable overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City of Allen's boundaries and dividing it by the county's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

City of Allen, Texas **Table 12**

Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

	Water and Sewer System Revenue Bonds				
Fiscal Year Ended September 30,	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2011	$ 32,088,556	$ 19,752,880	$ 12,335,676	$ 1,703,356	7.24
2012	30,218,985	20,244,240	9,974,745	1,702,074	5.86
2013	32,199,528	23,061,918	9,137,610	1,588,049	5.75
2014	30,887,999	23,754,848	7,133,151	1,585,519	4.50
2015	36,275,063	26,397,770	9,877,293	1,513,860	6.52
2016	36,509,983	29,287,984	7,221,999	1,173,576	6.15
2017	37,609,746	33,023,729	4,586,017	1,169,082	3.92
2018	42,629,369	34,843,950	7,785,419	1,181,675	6.59
2019	44,571,666	38,156,431	6,415,235	1,749,739	4.27
2020	50,756,732	39,026,679	11,730,053	1,501,611	7.81

Notes:
[a]As of 2009, Development fees are no longer included as part of the non-operating revenues and therefore are not included in the times coverage calculation.
[b]Includes operating expenses minus depreciation.
[c]Includes Principal and Interest.

City of Allen, Texas **Table 13**

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Estimated Population[a]	Personal Income	Per Capita Personal Income[b]	School Enrollment[c]	Unemployment Rate[d]
2011	86,633	$ 3,030,508,973	$ 34,981	19,387	7.2%
2012	88,103	3,298,664,423	37,441	19,765	5.4%
2013	89,705	3,709,032,635	41,347	20,295	5.2%
2014	91,157	3,542,543,334	38,862	20,503	4.4%
2015	93,261	3,940,277,250	42,250	20,755	3.2%
2016	94,576	3,823,896,832	40,432	20,973	3.6%
2017	99,852	4,007,759,724	40,137	21,054	3.1%
2018	102,632	4,715,221,976	45,943	21,567	3.2%
2019	107,151	4,694,285,310	43,810	21,791	2.8%
2020	109,591	4,876,032,363	44,493	21,538	6.2%

Sources: [a]Estimated population provided by the City of Allen.
[b]Estimated Per Capita Income provided by U.S. Census Bureau based on current income trends within the area.
[c]Allen Independent School District.
[d]Texas Workforce Commission.

City of Allen, Texas **Table 14**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

2020			2011		
Employer	Total Employees	Percentage of Total City Employment	Employer	Total Employees	Percentage of Total City Employment
Allen Independent School District	2,765	7.90%	Allen Independent School District	2,292	8.64%
City of Allen	846	2.42%	Texas Health Presbyterian Hospital	950	3.58%
Experian Information Solutions	648	1.85%	City of Allen	713	2.69%
Jack Henry & Associates	646	1.85%	Experian	619	2.33%
Frontier Communications	630	1.80%	Jack Henry & Associates	422	1.59%
Netscout	505	1.44%	State Farm Insurance	225	0.85%
Andrew's Distributing	427	1.22%	Graphic Converting	215	0.81%
Texas Health Presbyterian Hospital	420	1.20%	Quest Medical	198	0.75%
WatchGuard Video	288	0.82%	Photronics	165	0.62%
PFS Web Inc	200	0.57%	Homeland Healthcare	149	0.56%
Total	7,375	21.07%	Total	5,948	22.42%
Total Allen Daytime Employees	35,007		Total Allen Daytime Employees	26,526	

Source: Top ten employers and employee count provided by Allen Economic Development Corporation.

City of Allen, Texas **Table 15**

Full–Time Equivalent City Government Employees by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government and Administration	56.00	57.50	62.00	64.00	67.00	70.50	72.50	75.50	77.00	80.48
Public Safety	257.50	276.50	284.50	286.00	295.00	299.00	299.00	305.00	316.00	319.00
Public Works	54.00	53.00	53.00	54.50	55.50	59.00	59.00	60.50	62.50	63.50
Culture and Recreational	215.36	214.86	214.50	212.27	215.71	221.31	221.31	226.32	228.32	227.82
Water and Sewer	63.50	63.50	66.50	68.00	69.00	70.00	74.00	76.50	79.00	80.00
Golf Course	32.49	23.63	32.54	32.54	33.64	33.64	33.64	33.64	33.64	32.14
Community Development	28.00	28.00	26.00	27.00	27.50	28.50	27.50	30.50	32.00	32.00
Risk Management	2.00	2.00	3.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50
Economic Development	4.25	4.25	4.25	6.25	7.00	7.00	7.00	7.00	7.50	7.50
Total	713.10	723.24	746.29	754.56	774.35	792.95	797.95	818.96	839.46	845.94

Source: City of Allen's Annual Official Budgets

City of Allen, Texas **Table 16**

Operating Indicators by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Number of Employees	160	172	174	175	183	185	185	189	199	201
Number of Violations (Citations)	17,925	13,812	13,902	19,943	14,000	13,645	18,778	17,025	21,060	8,774
Fire										
Number of Employees	98	104	110	111	112	114	114	116	117	118
Number of Fire/Other runs	1,468	1,325	1,377	1,541	1,622	1,822	1,886	1,896	1,899	1,912
Number of EMS runs	3,155	3,193	3,613	3,703	3,812	4,162	4,210	4,667	4,898	4,725
Development Services										
Streets paved (miles)	3	4	1	4	1	5	5	6	2	2
Building Permits Issued[a]	4,993	5,192	6,013	9,538	7,549	7,022	7,116	7,126	9,414	6,440
Cultural and Recreational										
Parks and Recreation										
Park maintained & operated per acre	$ 5,393	$ 5,117	$ 3,827	$ 4,022	$ 4,083	$ 4,092	$ 4,668	$ 4,675	$ 3,679	$ 3,667
Participants in Leisure Service Programs	624,643	683,645	666,452	646,719	568,503	638,367	911,064	955,441	1,002,717	528,935
Rounds of Golf[c]	38,775	0	33,615	45,546	39,723	44,478	47,010	44,163	49,293	54,556
Library										
Volumes in Collection[b]	122,522	124,471	124,226	128,501	132,380	138,041	141,774	139,605	146,699	143,103
Water and Sewer										
Number of Water Consumers	27,495	27,974	28,669	29,124	29,750	30,332	30,920	31,391	31,922	32,334
Average Daily Water Consumption (gallons)	17,115,783	14,336,000	14,479,000	11,863,621	13,284,000	14,472,000	15,107,156	15,926,000	15,454,057	15,710,457
Maximum Storage Capacity (million of gallons)	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33
Sanitation										
Recyclables Collected (tons)	9,307	9,517	9,667	9,920	10,015	10,108	10,578	10,723	10,073	10,343
Solid Waste Collected (tons)	56,233	53,960	53,445	55,142	59,591	62,009	63,712	66,333	65,242	66,515

Source: City of Allen Departments

Notes: [a]Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs).

[b]Includes books and media.

[c] The Golf Course was closed for renovations during fiscal 2012 and was re-opened in January 2013.

City of Allen, Texas **Table 17**

Capital Asset Statistics by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	23	27	27	27	27	28	31	31	31	31
Fire Stations	4	5	5	5	5	5	5	5	5	5
Police Motorcycle Units	4	4	4	4	4	4	4	4	4	4
Development Services										
Streets-Paved (miles)	321	325	326	330	331	336	341	347	349	351
Alleys-Paved (miles)	163	163	163	165	166	167	168	169	169	169
Cultural and Recreational										
Parks (acres)	576	597	597	599	599	607	614	689	691	691
Playgrounds	32	32	32	32	32	32	32	32	32	32
Swimming Pools (outdoor)	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Natatorium	1	1	1	1	1	1	1	1	1	1
Visitor (Youth) Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Event Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	456	461	467	471	474	481	494	506	515	524
Fire Hydrants	4,022	4,144	4,210	4,329	4,398	4,560	4,675	4,982	4,934	5,316
Sanitary Sewers (miles)	342	346	352	354	356	361	370	379	386	393
Storm Sewer Lines (miles)	106	107	108	109	110	112	117	123	129	136

Source: City Of Allen Departments